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COMMONWEALTH OF KENTUCKY
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VETO MESSAGE FROM THE

GOVERNOR OF THE COMMONWEALTH OF KENTUCKY

House Bill 380 of the 2006 Regular Session – Partial Veto #1

I, Ernie Fletcher, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky Constitution, do hereby veto the following part:

Page 2, lines 10 through 12, in their entirety.

I am vetoing this part as it conflicts with applicable statutes affording the Governor's Scholars Program, Inc., flexibility in the hiring and compensation of its employees.

House Bill 380 of the 2006 Regular Session – Partial Veto #2

I, Ernie Fletcher, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky Constitution, do hereby veto the following part:

Page 4, line 5, after "shall" delete ",".

Page 4, line 6, delete "within 15 days of the final award of grants,".

This part mandates that a report of all the recipients of homeland security grants be presented to the Legislative Research Commission within 15 days of the final award of the grants. I am vetoing this part because the timeframe is too restrictive. I have no objection to the issuance of a report in a more reasonable timeframe and have left the underlying reporting requirements intact.



AN EQUAL OPPORTUNITY EMPLOYER M/F/D

House Bill 380 of the 2006 Regular Session – Partial Veto #3

I, Ernie Fletcher, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky Constitution, do hereby veto the following part:

Page 9, line 1, after “2006-2007” delete “and \$500,000 in fiscal year 2007-2008”.

This part appropriates \$500,000 in fiscal year 2007-2008 as a grant supporting the operations of the Patton Museum. The Patton Museum is located on the grounds of Fort Knox and is a museum of the history of mechanized armor and General George S. Patton. The Patton Museum is incorporated as a 501(c) entity responsible for raising operating and support revenues through private donations as well as maintaining historic objects and pieces of equipment that remain U.S. Army property. I am vetoing the \$500,000 appropriation in fiscal year 2007-2008 because the grant for the Patton Museum should be a one-time, nonrecurring grant of funds from state tax dollars. As a result of this veto, the \$500,000 will lapse to the General Fund Surplus account at the end of fiscal year 2007-2008.

House Bill 380 of the 2006 Regular Session – Partial Veto #4

I, Ernie Fletcher, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky Constitution, do hereby veto the following parts:

Page 12, line 27, in its entirety.

Page 13, lines 1 through 3, in their entirety.

Page 24, lines 26 through 27, in their entirety.

Page 25, line 1, in its entirety.

Page 33, line 10, after the word “above” delete “General Fund appropriation is \$1,630,000 in”.

Page 33, line 11, in its entirety.

Page 43, lines 11 through 13, in their entirety.

Page 44, lines 9 through 11, in their entirety.

Page 49, lines 23 through 27, in their entirety.

Page 50, lines 1 through 22, in their entirety.

Page 112, lines 8 through 11, in their entirety.

Page 122, lines 26 through 27, in their entirety.

Page 123, lines 1 through 9, in their entirety.

Page 153, lines 3 through 6, in their entirety.

Page 153, line 10, in its entirety.

Page 154, line 15, after the second character “;” delete “the Capital Renewal and Maintenance Bond”.

Page 154, line 18, after the second character “;” delete “the Postsecondary Education Institutions”.

Page 154, line 19, in its entirety.

Page 154, line 20, delete "Support/Lab Renovation and Equipment Pool;".
 Page 158, lines 26 through 27, in their entirety.
 Page 159, lines 18 through 19, in their entirety.
 Page 160, line 2, in its entirety.
 Page 160, lines 23 through 27, in their entirety.
 Page 161, lines 23 through 24, in their entirety.
 Page 164, lines 10 through 13, in their entirety.
 Page 173, lines 15 through 19, in their entirety.
 Page 175, lines 7 through 18, in their entirety.
 Page 175, lines 21 through 22, in their entirety.
 Page 176, lines 15 through 18, in their entirety.
 Page 176, lines 24 through 27, in their entirety.
 Page 178, line 27, in its entirety.
 Page 179, line 1, in its entirety.
 Page 179, lines 6 through 7, in their entirety.
 Page 181, lines 10 through 13, in their entirety.
 Page 181, lines 16 through 17, in their entirety.
 Page 183, lines 14 through 17, in their entirety.
 Page 185, lines 21 through 24, in their entirety.
 Page 187, lines 2 through 3, in their entirety.
 Page 206, lines 13 through 16, in their entirety.
 Page 210, lines 20 through 27, in their entirety.
 Page 211, lines 18 through 21, in their entirety.
 Page 211, lines 26 through 27, in their entirety.
 Page 212, line 27, in its entirety.
 Page 213, lines 1 through 3, in their entirety.
 Page 213, lines 6 through 9, in their entirety.
 Page 214, line 4, in its entirety.
 Page 215, lines 24 through 25, in their entirety.
 Page 216, lines 1 through 2, in their entirety.
 Page 216, lines 9 through 12, in their entirety.
 Page 403, lines 24 through 27, in their entirety.
 Page 405, lines 5 through 8, in their entirety.

These parts represent capital projects authorized for bond financing. I am vetoing these projects because it is my belief that the Commonwealth cannot afford to sustain the debt that would have to be incurred to fund them without jeopardizing its credit rating and financial future. To fund these projects would limit the Commonwealth's ability to adequately fund its operating expenses in the short and long term. The overall level of debt of the Commonwealth has ballooned in recent years. Record levels of debt were approved in both the 2005 General Assembly and the 2006 General Assembly. In comparison to other states, the debt per capita for Kentucky has increased substantially while most states have held constant or reduced their relative debt levels. I do not take issue with the merit of any one of these projects, or their ability to have a positive impact on our Commonwealth. My concern is the overall level of debt that we will rely on our children and grandchildren to honor.

The credit rating services closely review the degree to which the Commonwealth can meet recurring expenditures with recurring revenues. I am concerned about the structural imbalance in the operating budget. However, due to the structure of the appropriations Act, there is limited ability to impact the appropriation levels in the budget without jeopardizing entire programs. Many of the projects vetoed herein were only provided with a half year of debt service in the biennium, adding to the structural imbalance that will have to be addressed in the succeeding biennial budget. The debt service for these capital projects represents \$11,076,000 in General Fund appropriations in fiscal year 2007-2008. These appropriations will lapse to the General Fund Surplus account.

The part on page 50, lines 1 through 3, mandates the procurement of a specific bandwidth for local school districts with the funds appropriated for a data/telecommunications network. I am vetoing this part because specifying a particular bandwidth in an Appropriations Act unduly eliminates the necessary administrative discretion of the Executive. It also precludes the implementation of network bandwidth that most appropriately meets the needs of each school district, is cost-effective, is based on an analysis of empirical data, and can be afforded within the funds available.

House Bill 380 of the 2006 Regular Session – Partial Veto #5

I, Ernie Fletcher, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky Constitution, do hereby veto the following part:

Page 18, line 11, after the character “.” delete the word “The”.

Page 18, lines 12 through 14, in their entirety.

This part mandates that the Cabinet for Economic Development engage in specific evaluations of and provide the necessary funding for multicounty regional industrial parks. I am vetoing this part because state funds have already been used to purchase and develop these industrial parks, and it is the responsibility of the local owners of these industrial parks to provide these functions and to maintain their viability.

House Bill 380 of the 2006 Regular Session – Partial Veto #6

I, Ernie Fletcher, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky Constitution, do hereby veto the following part:

Page 35, lines 14 through 15, in their entirety.

This part suspends the state law that requires unexpended debt service to be credited to the General Fund, and instead credits unexpended debt service for the School Facilities Construction Commission to the Urgent Need School Trust Fund. I am vetoing this part because the fiscal year 2005-2006 General Fund ending balance enacted by the 2006

General Assembly is dependent upon \$19,616,000 in unexpended debt service to lapse to the credit of the General Fund. The lapsing of unexpended debt service appropriations is required by KRS 45.229, KRS 48.010(13)(b) and KRS 48.720. In addition, House Bill 380 directs the Executive Branch to reduce unspecified General Fund expenditures in the amount of \$38,500,000 in fiscal year 2006-2007 and \$39,500,000 in fiscal year 2007-2008 from the collective appropriations made to the Executive Branch. Finally, House Bill 380 mandates certain expenditures from the General Fund Surplus account in numerous instances without making an appropriation. One of the largest historical contributors to the Commonwealth's ability to accommodate these unbudgeted expenditures is the lapsing of unexpended debt service.

House Bill 380 of the 2006 Regular Session – Partial Veto #7

I, Ernie Fletcher, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky Constitution, do hereby veto the following part:

Page 43, lines 17 through 19, in their entirety.

This part mandates that \$125,000 in Restricted Funds from the Department of Parks be used to construct boat slips at Buckhorn Lake State Park. I am vetoing this part because House Bill 380 did not provide any additional money for this project, and the budget for the Department is already constrained by the obligation to continue current levels of service within the amounts appropriated.

House Bill 380 of the 2006 Regular Session – Partial Veto #8

I, Ernie Fletcher, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky Constitution, do hereby veto the following distinct part:

Page 51, line 6, after the word “program” delete “under the”.

Page 51, line 7, delete “direction of the Kentucky Economic Development Finance Authority”.

This part places funding received by the Department of Education for the Coal County Computing program under the direction of the Kentucky Economic Development Finance Authority. I am vetoing this part because the funds are appropriated to the Department of Education, and because providing school technology resources is the responsibility of the Department of Education.

House Bill 380 of the 2006 Regular Session – Partial Veto #9

I, Ernie Fletcher, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky Constitution, do hereby veto the following part:

Page 77, lines 24 through 26, in their entirety

This part imposes a moratorium on the assessments paid by Kentucky thoroughbred and standardbred race tracks to the Horse Racing Authority for each live-day of racing for the 2006-2008 biennium. The receipts from these assessments represent approximately \$1 million of the Authority's Restricted Funds appropriations each year. I am vetoing this part because the funds generated from the assessments are required to support the appropriations enacted in House Bill 380, which finance all of the Authority's statutory activities in fiscal year 2007-2008. I am reserving the option of imposing or suspending the assessments for fiscal year 2006-2007 because House Bill 380 provided an alternative source of funding for that year.

House Bill 380 of the 2006 Regular Session – Partial Veto #10

I, Ernie Fletcher, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky Constitution, do hereby veto the following part:

Page 85, lines 8 through 13, in their entirety.

This part requires a semiannual report to the Interim Joint Committee on Appropriations and Revenue of contracting information by the Commonwealth Office of Technology. I am vetoing this part because the reporting requirements are redundant of information already provided to the Government Contract Review Committee of the General Assembly.

House Bill 380 of the 2006 Regular Session – Partial Veto #11

I, Ernie Fletcher, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky Constitution, do hereby veto the following part:

Page 106, lines 14 through 19, in their entirety.

This part suspends a statute for the stated purpose of allowing a reservation of a certificate of need for the same health care facility services in the same county in the event of a voluntary closure, revocation of a certificate of need, or the revocation of licensure. I am vetoing this part because existing law already permits the re-establishment of a licensed health care service or facility which was voluntarily discontinued; because this part nullifies existing legal authority of the Cabinet for Health and Family Services that is unrelated to the policy goal of this part; and because this part

could provide unintended statutory consequences to the regulation and licensure of health care facilities.

House Bill 380 of the 2006 Regular Session – Partial Veto #12

I, Ernie Fletcher, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky Constitution, do hereby veto the following part:

Page 111, line 27, in its entirety.

Page 112, lines 1 through 2, in their entirety.

This part directs any unexpended General Funds appropriated for Foster Youth Transitional Assistance in fiscal year 2006-2007 to carry forward into fiscal year 2007-2008 rather than lapsing to the General Fund Surplus account. I am vetoing this part because KRS 45.229 directs that unexpended General Fund appropriations lapse at the end of each fiscal year. Exceptions are sometimes made for a legitimate business purpose, such as expenditures that span two fiscal years. In this case, these are recurring expenditures. Moreover, House Bill 380 directs the Executive Branch to reduce unspecified General Fund expenditures in the amount of \$38,500,000 in fiscal year 2006-2007 and \$39,500,000 in fiscal year 2007-2008 from the collective appropriations made to the Executive Branch. Finally, House Bill 380 mandates certain expenditures from the General Fund Surplus account in numerous instances without making an appropriation.

House Bill 380 of the 2006 Regular Session – Partial Veto #13

I, Ernie Fletcher, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky Constitution, do hereby veto the following distinct part:

Page 124, lines 6 through 8, in their entirety

This part suspends existing law so that the Kentucky Science and Technology Corporation shall administer three science and technology programs for the Council on Postsecondary Education. I am vetoing this part because I oppose the suspension of a competitive procurement process for these services as required by KRS 164.6017(3) and by the Commonwealth's model procurement code. Furthermore, the language in this part suspends the incorrect statutory provision, leaving in place the existing statutory contracting requirements.

House Bill 380 of the 2006 Regular Session – Partial Veto #14

I, Ernie Fletcher, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky Constitution, do hereby veto the following part:

Page 124, line 16, after the word “universities” delete “in equal amounts of \$800,000 per”.

Page 124, line 17, delete “institution”.

Page 124, line 25, after the character “.” delete “Once distributed, these funds will become recurring to the”.

Page 124, line 26, delete “institutions.”

This part mandates that the Council on Postsecondary Education distribute funding for the Regional Stewardship Funding Program in equal amounts of \$800,000 among the six public comprehensive universities. I am vetoing this part because the language eliminates any discretion that the Council on Postsecondary Education may have in awarding these funds. The language requires adherence to certain conditions and approval prior to the distribution of the funds. The mandatory language conflicts with the requirement of meeting certain conditions prior to the distribution of the funds. Also, the \$800,000 allocation per institution is inconsistent with the funding provided, which is \$1,200,000 in fiscal year 2006-2007, and \$3,600,000 in fiscal year 2007-2008.

House Bill 380 of the 2006 Regular Session – Partial Veto #15

I, Ernie Fletcher, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky Constitution, do hereby veto the following part:

Page 126, lines 3 through 5, in their entirety.

This part requires the Kentucky Higher Education Assistance Authority to award grants from the Kentucky Tuition Grant program only to postsecondary students that are accepted by or enrolled as a full-time student at a Kentucky independent college or university which is accredited by the Southern Association of Colleges and Schools. I am vetoing this part because there are currently 313 Kentucky students who are receiving grants from the Kentucky Tuition Grant program in total amounts exceeding \$600,000 who attend currently eligible institutions that are not accredited by Southern Association of Colleges and Schools. To be eligible to participate in the Kentucky Tuition Grant program, these institutions must be accredited by a regional accrediting association recognized by the United States Department of Education. By vetoing this part, I ensure that these students and other students who attend these institutions remain eligible to receive grants from the program as intended by current law.

House Bill 380 of the 2006 Regular Session – Partial Veto #16

I, Ernie Fletcher, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky Constitution, do hereby veto the following part:

Page 126, lines 25 through 27, in their entirety.

Page 127, lines 1 through 9, in their entirety.

This part requires authorization from the General Assembly before the Kentucky Higher Education Assistance Authority and the Kentucky Higher Education Student Loan Corporation may enter into any agreements which would result in the transfer of ownership or ultimate managerial decision-making authority regarding the control and investment performance of their property and assets. This part would impair the agencies' ability to enter into contracts; could prevent the ability to outsource the servicing of the Kentucky Higher Education Student Loan Commission's loan portfolio; and would jeopardize the ongoing origination and sale of loans to the Alabama Higher Education Loan Corporation.

House Bill 380 of the 2006 Regular Session – Partial Veto #17

I, Ernie Fletcher, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky Constitution, do hereby veto the following part:

Page 128, line 10, after the character “.” delete “The board will make all”.

Page 128, lines 11 through 13, in their entirety.

Page 128, line 14, delete “community areas and the performing arts center.”

This part mandates that a Community Operations Board make all decisions regarding the use of the Business/Technology Building at Eastern Kentucky University. I am vetoing this part because it removes the responsibility for operations of Eastern Kentucky University facilities from the President and the Board of Regents where that responsibility properly resides. I am retaining the provision that establishes and sets membership of the Community Operations Board so that it may provide useful advice from the community to the University for the operations of this facility.

House Bill 380 of the 2006 Regular Session – Partial Veto #18

I, Ernie Fletcher, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky Constitution, do hereby veto the following part:

Page 130, line 19, after the word “is”, delete “encouraged”.

This part encourages the University of Kentucky to provide funding to the Cooperative Extension Service to support the County Extension Enhancement Initiative. By this partial veto I direct funding to support the County Extension Enhancement Initiative.

House Bill 380 of the 2006 Regular Session – Partial Veto #19

I, Ernie Fletcher, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky Constitution, do hereby veto the following part:

Page 134, lines 14 through 21, in their entirety.

This part suspends existing laws to allow the President of the Kentucky Community and Technical College System to convey title to state-owned land to the Gateway Community and Technical College Foundation for future consideration. I am vetoing this part because it eliminates existing legal processes under the authority of the Secretary of the Finance and Administration Cabinet.

House Bill 380 of the 2006 Regular Session – Partial Veto #20

I, Ernie Fletcher, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky Constitution, do hereby veto the following part:

Page 138, line 1, after the word “prioritize” delete “and fund”.

Page 138, line 2, after the word “resources” delete “in the designated fiscal year”.

This part requires the Transportation Cabinet to fund aviation projects in the specific fiscal year as contained in the Aviation Six Year Plan. I am vetoing this part because the appropriations enacted in House Bill 380 are less than the identified costs associated with the project list, and because mandating the fiscal year for each project eliminates the flexibility of the Transportation Cabinet to adjust the timing of the projects.

House Bill 380 of the 2006 Regular Session – Partial Veto #21

I, Ernie Fletcher, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky Constitution, do hereby veto the following part:

Page 138, lines 22 through line 24, in their entirety.

This part prohibits the use of appropriated funds for the studying, planning, or construction of additional runways for, or the expansion of, the Capital City Airport. I am vetoing this part because the language eliminates a potential investment by the Commonwealth or from an award of Federal Aviation Administration funds to the

Commonwealth for the next two fiscal years. While there are no future plans to construct an additional runway, a blanket prohibition is unnecessary.

House Bill 380 of the 2006 Regular Session – Partial Veto #22

I, Ernie Fletcher, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky Constitution, do hereby veto the following part:

Page 146, line 16, after the character “:” delete “The Transportation Cabinet”.

Page 146, line 17, delete “shall”.

This part mandates the completion of the painting of the Kennedy Bridge in Louisville within the current biennium. I am vetoing this part because the introductory provision on page 145, section 25, states that the Transportation Cabinet may undertake the following miscellaneous road projects. This provision is one of twenty-two miscellaneous projects listed, but the language for this project is mandatory rather than permissive. I am retaining the part that allows the Transportation Cabinet to complete the bridge painting.

House Bill 380 of the 2006 Regular Session – Partial Veto #23

I, Ernie Fletcher, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky Constitution, do hereby veto the following part:

Page 146, line 22, after the character “:” delete “A sound barrier shall be”.

Page 146, line 24, after the word “feet” delete “. The cost related to the installation of the sound barrier shall be”.

Page 146, line 25 in its entirety.

Page 146, line 26, delete “2006-2007”.

This part mandates that a sound barrier shall be installed on the north side of I-264/Watterson Expressway from the west side of the Newburg Interchange going west 1,500 feet, to be funded for \$650,000 from the Highway Construction Contingency Account in fiscal year 2006-2007. I am vetoing this part because the introductory provision on page 145, section 25, states that the Transportation Cabinet may undertake the following miscellaneous road projects. This provision is one of twenty-two miscellaneous projects listed, but the language for this project is mandatory rather than permissive. I am retaining the portion of the part that allows the Transportation Cabinet to install the sound barrier.

House Bill 380 of the 2006 Regular Session – Partial Veto #24

I, Ernie Fletcher, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky Constitution, do hereby veto the following parts:

Page 218, lines 2 through 27, in their entirety.

Pages 219 through 308, in their entirety.

Page 309, lines 1 through 4, in their entirety.

These parts contain projects authorized for funding from coal severance tax receipts in single county accounts within the Local Government Economic Development Fund. I am vetoing these project designations, but not the funding that will be available to the respective counties listed therein. In accord with House Bill 380, the funds received by the respective counties from coal severance receipts may be used to support the nonrecurring investments in public health and safety, economic development, public infrastructure, information technology development and access, and public water and wastewater development, with the concurrence of both the respective fiscal court and the Governor's Office for Local Development or the Kentucky Infrastructure Authority, as appropriate. I am taking this action because I believe that local officials and communities should have more involvement in the decision-making process for the investment of these funds that are returned to their communities as a result of the severance of coal.

House Bill 380 of the 2006 Regular Session – Partial Veto #25

I, Ernie Fletcher, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky Constitution, do hereby veto the following part:

Page 424, line 12, after "KRS 18A.355" delete "(1)".

KRS 18A.355(1) requires that state employees receive a 5 percent annual increment. By adoption of the salary policy authorized in House Bill 380, providing non-uniform annual increments, the General Assembly's clear and unmistakable intent is to suspend the entirety of the statute. As authorized and intended, lower-paid employees are provided a higher annual increment than higher-paid employees. I am vetoing this part so that the entirety of KRS 18A.355 is suspended for the fiscal year 2006–2008 biennium, as intended by the General Assembly.

House Bill 380 of the 2006 Regular Session – Partial Veto #26

I, Ernie Fletcher, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky Constitution, do hereby veto the following part:

Page 431, lines 18 through 19, in their entirety.

This part requires that the Commonwealth Office of Technology transfer \$1,000,000 to the General Fund in fiscal year 2007-2008 from its internal service fund. I am vetoing this part because the nature of the internal service fund is to charge state agencies for the costs of the services delivered. This mechanism yields no excess funds, or profits. Due to the billing structure of the fund, transferring \$1,000,000 would result in the Commonwealth Office of Technology overbilling state agencies for the services rendered. Moreover, since a portion of the payments made by state agencies are from federal funds, this transfer will likely result in an audit finding to which the Commonwealth may have to repay approximately \$200,000 in funds that are unbudgeted.

House Bill 380 of the 2006 Regular Session – Partial Veto #27

I, Ernie Fletcher, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky Constitution, do hereby veto the following part:

Page 435, line 13, delete “Federal”.

This part mandates the transfer of \$9,000,000 in Federal Highway funds to the General Fund in fiscal year 2006-2007. I am vetoing this part because the grant requirements for the federal funds prohibit the direct transfer to the General Fund. Federal funds must be expended by state or recipient agencies for legal and eligible purposes. I am retaining the value of the \$9,000,000 fund transfer in the anticipation that some portion of it may be executed in conformity with the federal grant.

House Bill 380 of the 2006 Regular Session – Partial Veto #28

I, Ernie Fletcher, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky Constitution, do hereby veto the following part:

Page 556, lines 10 through 12, in their entirety.

This part mandates that any debt obligation issued by or on behalf of a unit of government to finance a court facility leased to the Administrative Office of the Courts be publicly bid by the owner of the court facility. I am vetoing this part because it temporarily overrides an existing statute, KRS 66.141, that requires bonds to be publicly bid, but allows notes to be sold by either competitive bid or at private negotiated sale. The existing statute adequately provides the flexibility of either procurement approach for issuing notes, and leaves that decision to the local unit of government.

House Bill 380 of the 2006 Regular Session – Partial Veto #29

I, Ernie Fletcher, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky Constitution, do hereby veto the following part:

Page 599, line 18, after the word “*principles*” delete “*, shall be paid for*”.

Page 599, line 19, delete “*by the trust fund*”.

Although this section appropriately requires an audit of the books and records of the public employee health insurance trust fund, it mandates payment with fund source specificity, for performance of the audit by the Auditor of Public Accounts, an office whose operations are funded otherwise with appropriations by House Bill 380. Considerations as to burden of payment and expenses for such an audit should be left to the discretion of the Personnel Cabinet.

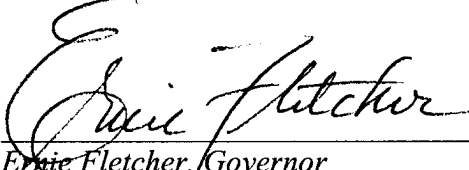
House Bill 380 of the 2006 Regular Session – Partial Veto #30

I, Ernie Fletcher, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky Constitution, do hereby veto the following part:

Page 599, line 23, after “(d)” delete “***Within thirty (30) days of the end of each calendar quarter,***”.

This part mandates a quarterly report by the Secretary of the Personnel Cabinet on the status of the Public Employee Health Insurance Trust Fund within 30 days of the end of each calendar quarter. I am vetoing this part because the 30-day requirement precludes the ability to fully report the information contained in the remainder of this provision. I have retained all of the underlying requirements.

Done this 24th day of April, 2006.


Ernie Fletcher, Governor



GENERAL ASSEMBLY COMMONWEALTH OF KENTUCKY

2006 REGULAR SESSION

HOUSE BILL NO. 380

VOLUME 1 OF 3

AS ENACTED

TUESDAY, APRIL 11, 2006

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AN ACT relating to appropriations and revenue measures providing financing and conditions for the operations, maintenance, support, and functioning of the government of the Commonwealth of Kentucky and its various officers, cabinets, departments, boards, commissions, institutions, subdivisions, agencies, and other state-supported activities.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

1

PART I

2

OPERATING BUDGET

3

(1) **Funds Appropriations:** There is appropriated out of the General Fund, Road Fund, Restricted Funds accounts, or Federal Funds accounts for the fiscal year beginning July 1, 2005, and ending June 30, 2006, for the fiscal year beginning July 1, 2006, and ending June 30, 2007, and for the fiscal year beginning July 1, 2007, and ending June 30, 2008, the following discrete sums, or so much thereof as may be necessary. Appropriated funds are included pursuant to KRS 48.700 and 48.710. Each appropriation is made by source of respective fund or funds accounts. Appropriations for the following officers, cabinets, departments, boards, commissions, institutions, subdivisions, agencies, and budget units of the state government, and any and all other activities of the government of the Commonwealth, are subject to the provisions of Chapters 12, 42, 45, and 48 of the Kentucky Revised Statutes and compliance with the conditions and procedures set forth in this Act.

15

(2) **Tobacco Settlement Funds:** Appropriations identified as General Fund (Tobacco) in Part I, Operating Budget, of this Act are representative of the amounts provided in Part X, Phase I Tobacco Settlement, of this Act and are not to be appropriated in duplication.

19

A. GENERAL GOVERNMENT

20

Budget Units

21

1. OFFICE OF THE GOVERNOR

22

2006-07

2007-08

1	General Fund	9,734,400	9,816,100
2	Restricted Funds	388,200	388,200
3	TOTAL	10,122,600	10,204,300

4 **(1) Housing Allowance for the Lieutenant Governor:** Included in the above
5 General Fund appropriation for the Office of the Governor and Lieutenant Governor's
6 Office, is \$2,500 monthly as a housing allowance.

7 **(2) Governor's Scholars Program:** Included in the above General Fund
8 appropriation is \$2,180,100 in fiscal year 2006-2007 and \$2,297,800 in fiscal year 2007-
9 2008 for the Governor's Scholars Program.

10 **(3) Employees of Governor's Scholars Program, Inc.:** For the purposes of
11 salary and fringe benefits, employees of Governor's Scholars Program, Inc. shall be
12 considered state employees.

13 **2. OFFICE OF STATE BUDGET DIRECTOR**

14		2006-07	2007-08
15	General Fund	4,433,400	4,433,400
16	Restricted Funds	80,600	136,800
17	TOTAL	4,514,000	4,570,200

18 **3. STATE PLANNING FUND**

19		2006-07	2007-08
20	General Fund	250,000	250,000

21 **4. HOMELAND SECURITY**

22		2006-07	2007-08
23	General Fund	350,000	350,000
24	Restricted Funds	440,000	440,000
25	Federal Funds	40,000,000	40,000,000
26	Road Fund	350,000	350,000
27	TOTAL	41,140,000	41,140,000

1 **(1) Reviewing of Applications:** The Kentucky Office of Homeland Security shall
2 consult with Local Area Development Districts and local government entities while
3 reviewing applications to determine qualified grant recipients.

4 **(2) Statewide Annual Report:** The Kentucky Office of Homeland Security shall
5 prepare an annual report that identifies the state homeland security priorities based on
6 National Homeland Security Priorities and shall include:

7 a. An assessment of the Commonwealth's preparedness to respond to acts of war or
8 terrorism, including nuclear, biological, chemical, electromagnetic pulse, agricultural,
9 ecological, or cyber terrorism;

10 b. Identify the priority of needs, areas of improvement, and the overall progress
11 made with regard to the Commonwealth's preparedness; and

12 c. Provide a record of all federal homeland security funding, including grants of all
13 federal homeland security funding distributed in Kentucky since the last annual written
14 report, as well as any other relevant homeland security funding information gathered by
15 the Kentucky Office of Homeland Security. The record shall identify, at a minimum, the
16 specific federal source, the amount, the specific recipient, the intended use of the funding,
17 the actual use of the funding, and any unspent amount.

18 The report shall be approved by the Homeland Security Interagency Working
19 Group. The Homeland Security Interagency Working Group shall include the chair of the
20 Senate Committee on Veterans, Military Affairs, and Public Protection, the chair of the
21 House Committee on Seniors, Military Affairs, and Public Safety, a state agency
22 representative, and a private agency representative.

23 The annual report shall be submitted to the Legislative Research Commission by
24 October 25 of each year for a public hearing to be conducted by a joint meeting of the
25 Senate Committee on Veterans, Military Affairs, and Public Protection and the House
26 Committee on Seniors, Military Affairs, and Public Safety for the purpose of receiving
27 comments on the statewide report and critique of the criteria established for determining

1 the award of homeland security funds. The Executive Director of the Kentucky Office of
 2 Homeland Security shall report all findings of fact or any other reports or
 3 recommendations presented at the public hearing to the Homeland Security Working
 4 Group.

5 **(3) Grant Recipient Report:** The Kentucky Office of Homeland Security shall,
 6 within 15 days of the final award of grants, report the list of recipients to the Legislative
 7 Research Commission.

8 **(4) Application Background Data:** The Kentucky Office of Homeland Security
 9 shall, upon request of the Commission, make available to the Commission all grant
 10 applications submitted to the office, score sheets, and procedures for funding.

11 **5. DEPARTMENT OF VETERANS' AFFAIRS**

12		2006-07	2007-08
13	General Fund	15,436,200	16,669,700
14	Restricted Funds	24,713,700	24,905,700
15	TOTAL	40,149,900	41,575,400

16 **(1) Weekend and Holiday Premium Pay Incentive:** The Kentucky Veterans'
 17 Centers are authorized to continue the weekend and holiday premium pay incentive
 18 component of the Personnel Pilot Program for the 2006-2008 fiscal biennium.

19 **(2) Congressional Medal of Honor Recipients - Travel and Per Diem:** The
 20 Commissioner of the Department of Veterans' Affairs may approve travel and per diem
 21 expenses incurred when Kentucky residents who have been awarded the Congressional
 22 Medal of Honor attend veterans, military, or memorial events in the Commonwealth of
 23 Kentucky.

24 **(3) Military Burial Honor Guard Program:** Included in the above General
 25 Fund appropriation is an additional \$35,000 in each fiscal year to support the Military
 26 Burial Honor Guard Program/Veterans' Service Organizational Burial Honor Guard Trust
 27 Fund for providing proper support and decorum for veterans' funeral honors. These funds

1 shall not lapse nor be utilized for other than the intended purposes.

2 Pursuant to KRS 36.390, the Department of Military Affairs shall coordinate with
 3 the Department of Veterans' Affairs and the Board of Embalmers and Funeral Directors
 4 on the implementation of the Military Burial Honor Guard Program. The Board of
 5 Embalmers and Funeral Directors shall mail program notification letters to all licensed
 6 embalmers and funeral directors with information related to the program description and
 7 contacts for the Military Burial Honor Guard Program. These letters shall be mailed with
 8 the annual renewal notifications prior to July 1 each year. New applicants will receive
 9 their notification of the program at the time of licensing. The Board of Embalmers and
 10 Funeral Directors shall establish a section on the Board's Web site pertaining to the
 11 Military Burial Honor Guard Program. The Department of Military Affairs and the
 12 Department of Veterans' Affairs shall report to the Interim Joint Committee on Seniors,
 13 Veterans, Military Affairs, and Public Protection prior to January 1, 2007, on the
 14 implementation of the Military Burial Honor Guard Program. The report shall include
 15 recommendations on organizational related matters, training and continuing education
 16 needs, equipment requirements for organizations performing or coordinating the honors
 17 ceremonies, and the expenditure of funds.

18 **(4) Debt Service:** Included in the above General Fund appropriation is \$84,000 in
 19 fiscal year 2006-2007 and \$168,000 in fiscal year 2007-2008 for debt service to support
 20 new bonds for the Western Kentucky Veterans' Center as set forth in Part II, Capital
 21 Projects Budget, of this Act.

22 **6. GOVERNOR'S OFFICE OF AGRICULTURAL POLICY**

23		2006-07	2007-08
24	General Fund (Tobacco)	17,469,800	20,065,100
25	General Fund	3,000,000	-0-
26	Restricted Funds	545,800	570,000
27	TOTAL	21,015,600	20,635,100

1 **(1) Kentucky Agricultural Finance Corporation:** Notwithstanding KRS
2 247.978(2), the total amount of principal which a qualified applicant may owe the
3 Kentucky Agricultural Finance Corporation at any one time shall not exceed \$5,000,000.

4 **(2) Tobacco Settlement Funds - Allocations:** Notwithstanding KRS 248.711(2),
5 and from the allocation provided therein, counties that are allocated in excess of \$20,000
6 annually may provide up to four percent of the individual county allocation, not to exceed
7 \$15,000 annually, to the county council in that county for administrative costs.

8 **(3) Partial Phase II Litigation Proceeds:** Notwithstanding KRS 45.229, General
9 Fund dollars of \$27,000,000 representing Partial Phase II Litigation proceeds that were
10 appropriated in fiscal year 2005-2006 pursuant to 2005 House Bill 267 (2005 Ky. Acts
11 ch. 173, Part X, Phase I Tobacco Settlement, B.3.a.(4)), shall not lapse in fiscal years
12 2005-2006, 2006-2007, and 2007-2008. To the extent possible, all General Fund dollars
13 shall be expended from the account prior to the expenditure of Tobacco Fund dollars.

14 **(4) Restoration of Funds:** Notwithstanding KRS 45.229, General Fund dollars of
15 \$3,000,000 representing the restoration of funds, shall not lapse in fiscal year 2006-2007
16 and fiscal year 2007-2008. Included in the above General Fund appropriation in fiscal
17 year 2006-2007 is an additional \$3,000,000 for the restoration of funds resulting from the
18 Master Settlement Agreement appropriation adjustment resulting from the reduced
19 Consensus Forecasting Group estimates in fiscal year 2005-2006.

20 **7. KENTUCKY INFRASTRUCTURE AUTHORITY**

21		2006-07	2007-08
22	General Fund	2,343,500	25,744,100
23	Restricted Funds	1,483,300	1,752,600
24	Federal Funds	50,172,600	50,172,600
25	TOTAL	53,999,400	77,669,300

26 **(1) Federally Assisted Wastewater Revolving Loan Fund Program:** Included
27 in the above General Fund appropriation is \$188,000 in fiscal year 2007-2008 for debt

1 service to support \$4,000,000 in bonds to match \$20,000,000 in Federal Funds for the
2 Federally Assisted Wastewater Revolving Loan Fund Program (Fund A).

3 **(2) Safe Drinking Water State Revolving Loan Fund Program:** Included in
4 the above General Fund appropriation is \$188,000 in fiscal year 2007-2008 for debt
5 service to support \$4,000,000 in bonds to match \$22,000,000 in Federal Funds for the
6 Safe Drinking Water State Revolving Loan Fund Program (Fund F). The Federal Funds
7 for this program are appropriated in the operating budget to comply with the Federal Cash
8 Management Act. The required state matching funds are appropriated as Bond Funds in
9 Part II, Capital Projects Budget, of this Act.

10 **(3) Administrative Fee on Infrastructure for Economic Development Fund**
11 **Projects:** A one-half of one percent administrative fee is authorized to be paid to the
12 Kentucky Infrastructure Authority for the administration of each project funded by the
13 Infrastructure for Economic Development Fund for Coal-Producing Counties and the
14 Infrastructure for Economic Development Fund for Tobacco Counties. These
15 administrative fees shall be paid, upon inception of the project, out of the fund from
16 which the project was allocated.

17 **(4) Local Government Economic Development Funds:** Included in the above
18 General Fund appropriation is \$370,000 in fiscal year 2006-2007 and \$311,700 in fiscal
19 year 2007-2008 from the Local Government Economic Development Fund to support
20 services provided to coal-producing counties.

21 **(5) Infrastructure for Economic Development Fund for Non-Coal Producing**
22 **Counties:** Included in the above General Fund appropriation is \$13,968,000 in fiscal year
23 2007-2008 for debt service to support \$150,000,000 Bond Funds for the Infrastructure for
24 Economic Development Fund for Non-Coal Producing Counties as set forth in Part II,
25 Capital Projects Budget, of this Act.

26 **(6) Infrastructure for Economic Development Fund for Coal-Producing**
27 **Counties:** Included in the above General Fund appropriation is \$9,312,000 in fiscal year

1 2007-2008 for debt service to support \$100,000,000 Bond Funds for the Infrastructure for
 2 Economic Development Fund for Coal-Producing Counties as set forth in Part II, Capital
 3 Projects Budget, of this Act.

4 **8. MILITARY AFFAIRS**

	2006-07	2007-08
6 General Fund	12,588,700	12,799,700
7 Restricted Funds	24,271,500	24,271,500
8 Federal Funds	62,302,800	62,660,700
9 TOTAL	99,163,000	99,731,900

10 **(1) Kentucky National Guard:** There is appropriated from the General Fund the
 11 necessary funds to be expended, subject to the conditions and procedures provided in this
 12 Act, which are required as a result of the Governor's call of the Kentucky National Guard
 13 to active duty when an emergency or exigent situation has been declared to exist by the
 14 Governor. These necessary funds shall be made available from the General Fund Surplus
 15 Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705).

16 **(2) Disaster or Emergency Aid Funds:** There is appropriated from the General
 17 Fund the necessary funds, subject to the conditions and procedures in this Act, which are
 18 required to match federal aid to which the state would be eligible in the event of a
 19 presidentially declared disaster or emergency. These necessary funds shall be made
 20 available from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve
 21 Trust Fund Account (KRS 48.705).

22 **(3) Base Realignment and Closure:** Included in the above General Fund
 23 appropriation is \$300,000 in fiscal year 2006-2007 and \$300,000 in fiscal year 2007-2008
 24 for the Kentucky Commission on Military Affairs to support Kentucky's efforts regarding
 25 the Base Realignment and Closure process. The Department of Military Affairs shall
 26 continue to provide administrative support for this activity.

27 **(4) Patton Museum:** Included in the above General Fund appropriation is an

1 additional \$500,000 in fiscal year 2006-2007 and \$500,000 in fiscal year 2007-2008 for
2 the Kentucky Commission on Military Affairs to provide funds for a grant to support the
3 operations of the Patton Museum. The Department of Military Affairs shall provide
4 administrative support for this activity.

5 **(5) Military Burial Honor Guard Program:** Included in the above General
6 Fund appropriation is an additional \$200,000 in each fiscal year to support the Military
7 Burial Honor Guard Program/Military Burial Honor Guard Trust Fund for providing the
8 proper support and decorum for military funeral honors pursuant to KRS 36.390 to
9 36.396. These funds shall not lapse nor be utilized for other than the intended purposes.

10 Pursuant to KRS 36.390, the Department of Military Affairs shall coordinate with
11 the Department of Veterans' Affairs and the Board of Embalmers and Funeral Directors
12 on the implementation of the Military Burial Honor Guard Program. The Board of
13 Embalmers and Funeral Directors shall mail program notification letters to all licensed
14 embalmers and funeral directors with information related to program description and
15 contacts for the Military Burial Honor Guard Program. These letters shall be mailed with
16 the annual renewal notifications prior to July 1 each year. New applicants will receive
17 their notification of the program at the time of licensing. The Board of Embalmers and
18 Funeral Directors shall establish a section on the Board's web site pertaining to the
19 Military Burial Honor Guard Program. The Department of Military Affairs and the
20 Department of Veterans' Affairs shall report to the Interim Joint Committee on Seniors,
21 Veterans, Military Affairs, and Public Protection prior to January 1, 2007, on the
22 implementation of the Military Burial Honor Guard Program. The report shall include
23 recommendations on organizational related matters, training and continuing education
24 needs, equipment requirements for organizations performing or coordinating the honors
25 ceremonies, and the expenditure of funds.

26 **(6) Debt Service:** Included in the above General Fund appropriation is \$211,000
27 in fiscal year 2006-2007 and \$422,000 in fiscal year 2007-2008 for debt service to

1 support new bonds as set forth in Part II, Capital Projects Budget, of this Act.

2 **(7) Military Family Assistance Trust Fund:** Included in the above General
3 Fund appropriation is an additional \$500,000 each fiscal year to provide funding to
4 support the Military Family Assistance Trust Fund as codified in Part XXVIII of this Act.
5 Of the total General Fund appropriation, \$400,000 each fiscal year shall be used as
6 proceeds for the Fund and \$100,000 shall be used for operations.

7 **(8) Morehead/Rowan County Airport:** The Kentucky National Guard may
8 accept any available federal dollars for construction of a road to the Morehead/Rowan
9 County Airport. The Kentucky National Guard shall work with the Transportation
10 Cabinet to complete this project.

11 **9. COMMISSION ON HUMAN RIGHTS**

12		2005-06	2006-07	2007-08
13	General Fund	-0-	1,840,900	1,859,100
14	Restricted Funds	-0-	1,700	1,600
15	Federal Funds	126,100	293,400	305,700
16	TOTAL	126,100	2,136,000	2,166,400

17 **10. COMMISSION ON WOMEN**

18		2006-07	2007-08
19	General Fund	266,200	266,200
20	Restricted Funds	25,600	24,400
21	TOTAL	291,800	290,600

22 **11. GOVERNOR'S OFFICE FOR LOCAL DEVELOPMENT**

23		2006-07	2007-08
24	General Fund	13,498,500	20,887,400
25	Restricted Funds	2,585,600	2,085,600
26	Federal Funds	55,564,200	55,564,200
27	TOTAL	71,648,300	78,537,200

1 **(1) Flood Control Matching Fund Project Review:** The Governor's Office for
2 Local Development shall transmit a copy of the application for a flood-related project to
3 be funded from the flood control matching fund to the Environmental and Public
4 Protection Cabinet with a request for a review of the project pursuant to KRS Chapter
5 151.

6 **(2) Owenton/Owen County Natural Gas Line Project:** Included in the above
7 General Fund appropriation is \$234,000 in fiscal year 2007-2008 to provide new debt
8 service for the Owenton/Owen County Natural Gas Line Project as set forth in Part II,
9 Capital Projects Budget, of this Act.

10 **(3) Support of the 12 Multicounty Regional Industrial Park Authorities:**
11 Included in the above Restricted Funds appropriation is \$300,000 in fiscal year 2006-
12 2007 and \$300,000 in fiscal year 2007-2008 in support of the 12 multicounty regional
13 industrial park authorities. Funds shall be distributed equally to the 12 multicounty
14 regional industrial park authorities for marketing and maintenance of the industrial parks
15 and the procurement of property and casualty insurance on the parks.

16 **(4) Buckhorn Children's Home:** Included in the above Restricted Funds
17 appropriation is \$500,000 in fiscal year 2006-2007 for a grant to the Buckhorn Children's
18 Home.

19 **(5) Prior Year Funded Community Development Projects:** Notwithstanding
20 any statutory provision or agreement between a state agency and any local government to
21 the contrary, any fund balance remaining in any Community Development Project
22 appropriated in 2000 Ky. Acts ch. 549, Part II, Section R, remain authorized and may be
23 retained by the local entity and expended in a manner consistent with the intent and
24 purpose of the appropriation. The Secretary of the Finance and Administration Cabinet,
25 pursuant to KRS 48.500, shall make any determination necessary to effect this provision.

26 **(6) Debt Service - Warren County Fiscal Court - Transpark - Rail Spur:**
27 Included in the above General Fund appropriation is \$422,000 in fiscal year 2007-2008

1 for debt service to support \$4,500,000 Bond Funds for the Warren County Fiscal Court
 2 Transpark, for Rail Spur and Infrastructure Improvements, as set forth in Part II, Capital
 3 Projects Budget, of this Act.

4 **(7) Jessamine County Fiscal Court - Building Restoration in Nicholasville:**
 5 Included in the above General Fund appropriation is \$300,000 in fiscal year 2006-2007
 6 for a grant to Jessamine County Fiscal Court for building restoration in Nicholasville.

7 **(8) Chamber of Commerce/Vision 2015 Northern Kentucky Encyclopedia:**
 8 Included in the above General Fund appropriation is \$100,000 in fiscal year 2006-2007
 9 for a grant to Chamber of Commerce/Vision 2015 Northern Kentucky Encyclopedia.

10 **(9) Scott County Fiscal Court - Buffalo Park Improvement and**
 11 **Infrastructure:** Included in the above General Fund appropriation is \$150,000 in fiscal
 12 year 2006-2007 for a grant to Scott County Fiscal Court for the Buffalo Park
 13 Improvement and Infrastructure.

14 **(10) City of Covington - Timestar Commons - Planning:** Included in the above
 15 General Fund appropriation is \$250,000 in fiscal year 2006-2007 for a grant to the City of
 16 Covington for Timestar Commons planning.

17 **(11) City of Ludlow - Municipal Meeting Center:** Included in the above General
 18 Fund appropriation is \$225,000 in fiscal year 2006-2007 for a grant to the City of Ludlow
 19 for Phases I through III of the upgrade and renovation of the Municipal Meeting Center.

20 **(12) Richmond Arts Council:** Included in the above General Fund appropriation
 21 is \$100,000 in fiscal year 2006-2007 and \$100,000 in fiscal year 2007-2008 for a grant to
 22 the Richmond Arts Council.

23 **(13) Debt Service - Community Development Fund Projects:** Included in the
 24 above General Fund appropriation is \$7,045,000 in fiscal year 2007-2008 for debt service
 25 to support \$75,658,000 in Bond Funds for the Community Development Fund Projects,
 26 as set forth in Part II, Capital Projects Budget, of this Act.

27 **(14) Debt Service - Louisville Zoo - Glacier Run:** Included in the above General

1 Fund appropriation is \$561,000 in fiscal year 2007-2008 for debt service on \$6,000,000
 2 Bond Funds for the Louisville Zoo - Glacier Run project as set forth in Part II, Capital
 3 Projects Budget, of this Act.

4 **12. LOCAL GOVERNMENT ECONOMIC ASSISTANCE FUND**

	2006-07	2007-08
6 General Fund	52,535,600	51,443,100

7 **13. LOCAL GOVERNMENT ECONOMIC DEVELOPMENT FUND**

	2006-07	2007-08
9 General Fund	51,716,800	50,453,700

10 **(1) Coal Severance Tax Collections Calculations and Transfers:** The above
 11 appropriations from the General Fund are based on the official estimate presented by the
 12 Office of State Budget Director for coal severance tax collections during the biennium,
 13 distributed in accordance with KRS 42.450 to 42.495.

14 **(2) Trover Clinic Grant:** Notwithstanding KRS 42.4582 and 42.4585, the
 15 quarterly calculation and transfer of the funds shall be made only after each quarterly
 16 installment of the annual appropriation of \$1,000,000 in fiscal year 2006-2007 and
 17 \$1,000,000 in fiscal year 2007-2008 has been credited to the Trover Clinic Grant within
 18 the Governor's Office for Local Development.

19 **(3) Community Development Office:** Notwithstanding KRS 42.4592, the
 20 quarterly calculation of the allocation of moneys to coal-producing counties through the
 21 Local Government Economic Development Fund shall be made only after each quarterly
 22 installment of the annual appropriation of \$669,700 in fiscal year 2006-2007 and
 23 \$728,000 in fiscal year 2007-2008 is appropriated as General Fund moneys to the
 24 Community Development Office in the Governor's Office for Local Development.

25 **(4) Kentucky Infrastructure Authority:** Notwithstanding KRS 42.4592, the
 26 quarterly calculation of the allocation of moneys to coal-producing counties through the
 27 Local Government Economic Development Fund shall be made only after each quarterly

1 installment of the annual appropriation of \$370,000 in fiscal year 2006-2007 and
2 \$311,700 in fiscal year 2007-2008 is appropriated as General Fund moneys to the
3 Kentucky Infrastructure Authority.

4 **(5) Tourism Marketing Program:** Notwithstanding KRS 42.4588, \$1,000,000
5 in fiscal year 2006-2007 and \$1,000,000 in fiscal year 2007-2008 shall be transferred
6 from the Local Government Economic Development Fund, Multi-County Fund, to the
7 Tourism Marketing Program within the Commerce Cabinet. Fees for professional artists
8 and entertainers performing on the Kentucky Music Trail shall be paid from the Tourism
9 Marketing Program.

10 **(6) Read to Achieve:** Notwithstanding KRS 42.4592, the quarterly calculation of
11 the allocation of moneys to coal-producing counties through the Local Government
12 Economic Development Fund shall be made only after each quarterly installment of the
13 annual appropriation of \$4,000,000 in fiscal year 2006-2007 and \$4,000,000 in fiscal year
14 2007-2008 is appropriated as General Fund moneys to the Read to Achieve Program
15 within the Department of Education.

16 **(7) Drug Courts:** Notwithstanding KRS 42.4588, \$1,300,000 in fiscal year 2006-
17 2007 and \$1,800,000 in fiscal year 2007-2008 shall be transferred from the Local
18 Government Economic Development Fund, Multi-County Fund, to the Drug Court
19 Program in the Office of Drug Control Policy, Justice Administration budget unit.

20 **(8) Kentucky Wood Products Competitiveness Corporation:** Notwithstanding
21 KRS 42.4586, no funds shall be transferred to the Secondary Wood Products
22 Development Fund.

23 **(9) Kentucky Workers' Compensation Funding Commission:**
24 Notwithstanding KRS 342.122(1)(c), no General Fund appropriation is provided to the
25 Kentucky Workers' Compensation Funding Commission in fiscal year 2006-2007 and
26 fiscal year 2007-2008.

27 **(10) Energy Research and Development Fund:** Notwithstanding KRS 42.4588,

1 \$3,500,000 in fiscal year 2006-2007 and \$3,500,000 in fiscal year 2007-2008 shall be
2 transferred from the Local Government Economic Development Fund to the Office of
3 Energy Policy within the Commerce Cabinet as General Fund moneys. These funds shall
4 be used for research projects relating to clean coal, new combustion technology, thin-
5 seam coal extraction research, synthetic natural gas produced from coal through
6 gasification processes, and the development of alternative transportation fuels produced
7 by processes that convert coal or biomass resources or extract oil from oil shale and shall
8 be targeted solely to Kentucky's Local Government Economic Development Fund-eligible
9 counties. The Office of Energy Policy shall coordinate its efforts with those of Kentucky's
10 universities and related Kentucky Community and Technical College System programs in
11 order to maximize Kentucky's opportunities for federal funding and receive research
12 grants and awards from federal and other sources of funding for the development of clean
13 coal technology, coal-to-liquid-fuel conversion, alternate transportation fuels, and
14 biomass energy resources.

15 **(11) School Facilities Construction Commission:** Notwithstanding KRS
16 42.4592, the quarterly calculation of the allocation of moneys to coal-producing counties
17 through the Local Government Economic Development Fund in fiscal year 2006-2007
18 shall be made only after funds totaling \$4,617,900, and in fiscal year 2007-2008 shall be
19 made only after funds totaling \$4,617,900, is appropriated as General Fund moneys to the
20 School Facilities Construction Commission to provide debt service to support previously
21 authorized bonds.

22 **(12) Kentucky Infrastructure Authority:** Notwithstanding KRS 42.4592, the
23 quarterly calculation of the allocation of moneys to coal-producing counties through the
24 Local Government Economic Development Fund shall be made only after each quarterly
25 installment of the annual appropriation of \$4,091,900 in fiscal year 2006-2007 and
26 \$4,091,900 in fiscal year 2007-2008 is appropriated as General Fund moneys to the
27 Finance and Administration Cabinet, Debt Service budget unit to provide General Fund

1 debt service to support previously authorized bonds for the Water and Sewer Resources
2 Development Fund for Coal Producing Counties.

3 **(13) KIA Infrastructure for Economic Development Fund for Coal-Producing**
4 **Counties:** Notwithstanding KRS 42.4588, funds totaling \$7,450,000 in fiscal year 2006-
5 2007 and \$7,450,000 in fiscal year 2007-2008 shall be transferred from the Local
6 Government Economic Development Fund, Multi-County Fund, to the General Fund to
7 be used by the Finance and Administration Cabinet Debt Service budget unit to support
8 previously authorized bonds for the Infrastructure for Economic Development Fund for
9 Coal-Producing Counties, Bond Pool.

10 **(14) Debt Service:** All necessary debt service amounts shall be appropriated from
11 the General Fund and shall be fully paid regardless of whether there are sufficient moneys
12 available to be transferred from coal severance tax-supported funding program accounts
13 to other accounts of the General Fund.

14 **(15) Flood Matching/State Owned Dam Repair Pool:** Notwithstanding KRS
15 42.4592, the quarterly calculation of the allocation of moneys to coal-producing counties
16 through the Local Government Economic Development Fund shall be made only after
17 each quarterly installment of the annual appropriation of \$800,000 in fiscal year 2006-
18 2007 and \$800,000 in fiscal year 2007-2008 is appropriated as General Fund moneys to
19 the Governor's Office for Local Development.

20 Notwithstanding KRS 42.4588, \$700,000 in fiscal year 2006-2007 and \$700,000 in
21 fiscal year 2007-2008 shall be transferred from the Local Government Economic
22 Development Fund, Multi-County Fund, to the Flood Matching/State Owned Dam Repair
23 Pool within the Governor's Office for Local Development.

24 **(16) Osteopathic Medicine Scholarship Program:** The transfer of moneys from
25 the General Fund to the Local Government Economic Development Fund shall be made
26 after the transfer to the Osteopathic Medicine Scholarship Program has been made
27 pursuant to KRS 164.7891(11) and (12) in the amount of \$1,024,300 in fiscal year 2006-

1 2007 and \$1,024,300 in fiscal year 2007-2008, within the Kentucky Higher Education
2 Assistance Authority.

3 **(17) Operation Unite:** Notwithstanding KRS 42.4588, funds totaling \$1,250,000
4 in fiscal year 2006-2007 and \$1,250,000 in fiscal year 2007-2008 shall be transferred
5 from the Local Government Economic Development Fund, Multi-County Fund, to the
6 Office of Drug Control Policy for Operation Unite in relation to the Federal Task Force
7 on Drug Abuse.

8 **(18) Mining Engineering Scholarship Program:** Notwithstanding KRS 42.4592,
9 the quarterly calculation of the allocation of moneys to coal-producing counties through
10 the Local Government Economic Development Fund shall be made only after each
11 quarterly installment of the annual appropriation of \$200,000 in fiscal year 2006-2007
12 and \$200,000 in fiscal year 2007-2008 is appropriated as General Fund moneys to the
13 University of Kentucky for the Mining Engineering Scholarship Program.

14 **(19) 404 Permitting Program:** Notwithstanding KRS 42.4588, \$300,000 in fiscal
15 year 2006-2007 and \$300,000 in fiscal year 2007-2008 shall be transferred from the Local
16 Government Economic Development Fund, Multi-County Fund, to the U.S. Clean Water
17 Act section for 404 Permitting Program in the Environmental and Public Protection
18 Cabinet, Division of Water. These funds will only be made available after the
19 Commonwealth assumes primacy over the 404 Permitting Program.

20 **(20) School Technology:** Notwithstanding 42.4588, \$5,000,000 in fiscal year
21 2006-2007 and \$5,000,000 in fiscal year 2007-2008 shall be transferred from the Local
22 Government Economic Development Fund, Multi-County Fund, to the Office of
23 Operations and Support Services within the Department of Education for school
24 technology purposes.

25 **(21) Parameters for County Flexibility:** Notwithstanding KRS 42.4588(2), Local
26 Government Economic Development Fund allocations may be used to support the
27 nonrecurring investments in public health and safety, economic development, public

1 infrastructure, information technology development and access, and public water and
2 wastewater development, with the concurrence of both the respective fiscal court and the
3 Governor's Office for Local Development or the Kentucky Infrastructure Authority, as
4 appropriate.

5 **(22) Support of the 12 Multicounty Regional Industrial Park Authorities:**

6 Notwithstanding KRS 42.4588, funds totaling \$300,000 in fiscal year 2006-2007 and
7 \$300,000 in fiscal year 2007-2008 shall be transferred from the Local Government
8 Economic Development Fund, Multi-County Fund, to the Governor's Office for Local
9 Development to be distributed equally to the 12 multicounty regional industrial park
10 authorities located in coal counties to be used for marketing and maintenance of the
11 industrial parks and for procurement of property and casualty insurance on the parks. The
12 Cabinet for Economic Development is directed to evaluate the ongoing marketing,
13 maintenance, and insurance needs of multicounty regional industrial parks and make
14 necessary expenditures from the Multi-County Fund to ensure viability of these parks.

15 **(23) Coal Severance Tax Receipts:** The appropriations of severance tax receipts
16 made in this Act shall not lapse but shall be carried forward at the end of each fiscal year.

17 **(24) Buckhorn Children's Home:** Notwithstanding KRS 42.4588, funds totaling
18 \$500,000 in fiscal year 2006-2007 shall be transferred from the Local Government
19 Economic Development Fund, Multi-County Fund, to the Governor's Office for Local
20 Development to be distributed as a grant to the Buckhorn Children's Home.

21 **(25) Infrastructure for Economic Development Fund for Coal Producing**
22 **Counties:** Notwithstanding KRS 42.4592, the quarterly calculation of the allocation of
23 moneys to coal-producing counties through the Local Government Economic
24 Development Fund shall be made only after each quarterly installment of the annual
25 appropriation of \$1,164,000 in fiscal year 2007-2008 is appropriated as General Fund
26 moneys to the Kentucky Infrastructure Authority for debt service on \$100,000,000 Bond
27 Funds for the Infrastructure for Economic Development Fund for Coal-Producing

1 Counties.

2 Notwithstanding KRS 42.4588, funds totaling \$8,148,000 in fiscal year 2007-2008
3 shall be transferred from the Local Government Economic Development Fund, Multi-
4 County Fund, to the Kentucky Infrastructure Authority for debt service on \$100,000,000
5 Bond Funds for the Infrastructure for Economic Development Fund for Coal-Producing
6 Counties.

7 **(26) Industrial Park Priority:** Notwithstanding KRS 42.4588(2), any county that
8 is providing at least \$1,000,000 from their Local Government Economic Development
9 Fund, Single County Account for an industrial park project, shall be given higher priority
10 when applying for Local Government Economic Development Fund, Multi-County Fund
11 dollars for the same project.

12 **(27) Pharmacy Scholarship Fund:** Notwithstanding KRS 42.4582 and 42.4585,
13 the quarterly calculation and transfer of the funds in fiscal year 2007-2008 shall be made
14 only after each quarterly installment of the annual appropriation of \$1,000,000 has been
15 credited to the Pharmacy Scholarship Fund within the Kentucky Higher Education
16 Assistance Authority.

17 **(28) Kentucky Geological Survey:** Notwithstanding KRS 42.4588, funds totaling
18 \$250,000 in fiscal year 2007-2008 shall be transferred from the Local Government
19 Economic Development Fund, Multi-County Fund, to the University of Kentucky for the
20 Kentucky Geological Survey.

21 2006-07 2007-08

22 **14. AREA DEVELOPMENT FUND**

23 809,700 809,700
24 General Fund

24 **(1) Appropriation Limit:** Notwithstanding KRS 48.185, funds appropriated
25 from the General Fund for the Area Development Fund shall be limited to these amounts.

26 **15. EXECUTIVE BRANCH ETHICS COMMISSION**

27 2005-06 2006-07 2007-08

1	General Fund	62,400	435,000	444,000
2	Restricted Funds	-0-	1,500	1,500
3	TOTAL	62,400	436,500	445,500

4 **16. SECRETARY OF STATE**

5		2006-07	2007-08
6	General Fund	2,299,300	2,298,100
7	Restricted Funds	849,200	900,000
8	TOTAL	3,148,500	3,198,100

9 **(1) Carry Forward of Restricted Funds Appropriation Balance:**

10 Notwithstanding KRS 14.140(3), the above Restricted Funds appropriations shall not
 11 lapse and shall be used for the continuation of current activities within the General
 12 Administration unit and for the operations and staff of the Uniform Commercial Code
 13 Branch.

14 **17. BOARD OF ELECTIONS**

15		2006-07	2007-08
16	General Fund	4,878,500	4,861,900
17	Restricted Funds	77,600	93,900
18	Federal Funds	10,000,000	5,628,500
19	TOTAL	14,956,100	10,584,300

20 **(1) Help America Vote Act of 2002:** Amounts above those appropriated that are
 21 necessary to match Federal Funds from the Help America Vote Act shall be deemed a
 22 necessary government expense and shall be paid from the General Fund Surplus Account
 23 (KRS 48.700) or the Budget Reserve Trust Fund (KRS 48.705). Notwithstanding KRS
 24 45.229, any unexpended balance from the General Fund appropriation necessary to match
 25 Federal Funds shall not lapse and shall carry forward to fiscal year 2006-2007 and fiscal
 26 year 2007-2008.

27 **(2) Cost of Elections:** Included in the above General Fund appropriation is

\$3,280,900 in fiscal year 2006-2007 and \$3,291,100 in fiscal year 2007-2008 to pay the state's share of county election expenses (KRS 117.345) and the state's share of voter registration expenses (KRS 116.112(7), 116.145, and 117.343). Notwithstanding KRS 117.345(2), the maximum state payment rate is increased from the current statutory level of \$255 to \$300 per precinct per election to each precinct using voting machines. Any amount that the state is required to pay for precinct election expenses under the provisions of KRS 116.112(7), 116.145, 117.343, and 117.345 shall be deemed necessary government expenses and shall be paid from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705).

18. REGISTRY OF ELECTION FINANCE

	2006-07	2007-08
General Fund	1,547,100	1,571,700

19. ATTORNEY GENERAL

	2006-07	2007-08
General Fund	14,276,500	14,113,100
Restricted Funds	9,167,300	9,109,100
Federal Funds	2,437,000	2,531,500
TOTAL	25,880,800	25,753,700

(1) Expert Witnesses: In addition to such funds as may be appropriated, the Office of the Attorney General may request from the Finance and Administration Cabinet, as a necessary government expense, such funds as may be necessary for expert witnesses. Upon justification of the request, the Finance and Administration Cabinet shall provide up to \$275,000 for the 2006-2008 fiscal biennium for this purpose to the Office of the Attorney General. The Office of Insurance shall provide the Office of the Attorney General any available information to assist in the preparation of a rate hearing pursuant to KRS 304.17A-095.

(2) Annual and Sick Leave Service Credit: Notwithstanding any statutory or

1 regulatory restrictions to the contrary, any former employee of the Unified Prosecutorial
 2 System who has been appointed to a permanent full-time position under KRS Chapter
 3 18A shall be credited annual and sick leave based on service credited under the Kentucky
 4 Retirement Systems solely for the purpose of computation of sick and annual leave. This
 5 provision shall only apply to any new appointment or current employee as of July 1,
 6 1998.

7 **(3) Legal Services Contracts:** The Office of the Attorney General may present
 8 proposals to state agencies specifying legal work that is presently accomplished through
 9 Personal Service Contracts that indicate the Office of the Attorney General's capacity to
 10 perform the work at a lesser cost. State agencies may agree to make arrangements with
 11 the Office of the Attorney General to perform the legal work and compensate the Office
 12 of the Attorney General for the legal services. Notwithstanding KRS Chapter 45A, the
 13 Office of the Attorney General may contract with outside law firms on a contingency
 14 basis.

15 **(4) Child Sexual Abuse License Plate Revenue:** Notwithstanding KRS 186.162,
 16 the Transportation Cabinet shall review the costs related to the distribution of child
 17 victims' license plates. Any revenue received from the sale or renewal of those plates in
 18 excess of actual costs shall be transferred to the Child Victims' Trust Fund on an annual
 19 basis.

20 **20. UNIFIED PROSECUTORIAL SYSTEM**

21 **(1) Prosecutors Advisory Council Administrative Functions:** The Prosecutors
 22 Advisory Council shall approve compensation for employees of the Unified Prosecutorial
 23 System subject to the appropriations in this Act.

24 **a. Commonwealth's Attorneys**

25		2006-07	2007-08
26	General Fund	31,752,200	32,558,100
27	Restricted Funds	234,000	249,900

1	Federal Funds	179,700	186,500
2	TOTAL	32,165,900	32,994,500

3 **b. County Attorneys**

4		2006-07	2007-08
5	General Fund	26,875,000	27,752,300
6	Restricted Funds	23,000	23,500
7	Federal Funds	472,700	502,000
8	TOTAL	27,370,700	28,277,800

9 **TOTAL - UNIFIED PROSECUTORIAL SYSTEM**

10		2006-07	2007-08
11	General Fund	58,627,200	60,310,400
12	Restricted Funds	257,000	273,400
13	Federal Funds	652,400	688,500
14	TOTAL	59,536,600	61,272,300

15 **21. TREASURY**

16		2006-07	2007-08
17	General Fund	2,171,300	2,210,400
18	Restricted Funds	744,500	753,100
19	Road Fund	250,000	250,000
20	TOTAL	3,165,800	3,213,500

21 **(1) Unclaimed Property Fund:** Included in the above Restricted Funds
 22 appropriation is a recurring transfer from the Unclaimed Property Fund. In each
 23 respective fiscal year of the 2006-2008 fiscal biennium, \$744,500 and \$753,100 is
 24 appropriated to provide funding for services performed by the Unclaimed Property
 25 Division of the Department of the Treasury.

26 **22. AGRICULTURE**

27		2006-07	2007-08
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1	General Fund	19,803,100	21,529,700
2	Restricted Funds	4,937,200	4,548,900
3	Federal Funds	3,947,400	3,889,200
4	TOTAL	28,687,700	29,967,800

5 **(1) Breathitt Veterinary Center and Diagnostic Laboratories:** Included in the
6 above General Fund appropriation is \$478,500 in fiscal year 2006-2007 and \$478,500 in
7 fiscal year 2007-2008 for the Breathitt Veterinary Center at Murray State University and
8 \$478,500 in fiscal year 2006-2007 and \$478,500 in fiscal year 2007-2008 for the
9 University of Kentucky for the diagnostic laboratories.

10 **(2) Enforcement of Tobacco Product Sale Restrictions:** Included in the above
11 General Fund appropriation is \$260,000 in fiscal year 2006-2007 and \$260,000 in fiscal
12 year 2007-2008 to carry out the provisions of KRS 438.335.

13 **(3) Purchase of Agricultural Conservation Easement (PACE) Program:** The
14 PACE board may contract directly with land surveyors, real estate appraisers, and other
15 licensed professionals as necessary. The Department of Agriculture may receive funds
16 from local and private sources to match Federal Funds for the Purchase of Agricultural
17 Conservation Easement (PACE) Program.

18 **(4) Metrology Lab Operating Fees:** The Department of Agriculture may
19 promulgate administrative regulations establishing license fees, testing fees, and any other
20 fees necessary to operate and maintain a metrology lab in the Department of Agriculture.
21 These Restricted Funds receipts shall be utilized for personnel and operations of the
22 metrology lab.

23 **(5) County Fair Grants:** Included in the above General Fund appropriation is
24 \$495,000 in fiscal year 2006-2007 and \$495,000 in fiscal year 2007-2008 to support the
25 capital improvement grants to the Local Agricultural Fair Program.

26 **(6) Debt Service:** Included in the above General Fund appropriation is \$462,000
27 in fiscal year 2007-2008 for debt service to support new bonds for Animal Shelters as set

1 forth in Part II, Capital Projects Budget, of this Act.

2 **23. AUDITOR OF PUBLIC ACCOUNTS**

3		2006-07	2007-08
4	General Fund	5,829,900	5,828,300
5	Restricted Funds	3,297,500	3,297,500
6	TOTAL	9,127,400	9,125,800

7 **(1) Auditor's Scholarships:** Notwithstanding KRS 43.200, no funding is
8 provided for Auditor's scholarships.

9 **(2) Audit Services Contracts:** No state agency shall enter into any contract with
10 a nongovernmental entity for an audit unless the Auditor of Public Accounts has declined
11 in writing to perform the audit or has failed to respond within 30 days of receipt of a
12 written request. The agency requesting the audit shall furnish the Auditor of Public
13 Accounts a comprehensive statement of the scope and nature of the proposed audit.

14 **(3) Audit Records and Status Reports:** The Auditor of Public Accounts shall
15 report in writing each 60 days to the Interim Joint Committee on Appropriations and
16 Revenue the progress of all state audits, together with copies of all completed audits. The
17 Auditor of Public Accounts shall maintain a record of all time and expenses for each
18 audit or investigation.

19 **(4) Compensatory Leave Conversion to Sick Leave:** If the Auditor of Public
20 Accounts determines that internal budgetary pressures warrant further austerity measures,
21 the State Auditor may institute a policy to suspend payment of 50 hour blocks of
22 compensatory time for those auditors who have accumulated 240 hours of compensatory
23 time and instead to convert those hours to sick leave.

24 **(5) Auditor Salary Equity:** Included in the above General Fund appropriation
25 are funds to provide an increase to each merit classified auditor within the Auditor of
26 Public Accounts office to be added to the eligible employee's base salary effective July 1,
27 2006. The Secretary of the Personnel Cabinet shall take such action to develop a revised

classification and salary compensation schedule to implement this provision in consultation with the Auditor of Public Accounts to be effective by July 1, 2006. This salary increase shall be in addition to any salary increase provided to state employees included in this Act.

24. PERSONNEL BOARD

	2005-06	2006-07	2007-08
General Fund	38,600	-0-	-0-
Restricted Funds	-0-	754,500	767,100
TOTAL	38,600	754,500	767,100

(1) Personnel Board Operating Assessment: Each agency of the Executive Branch with employees covered by KRS Chapter 18A shall be assessed each fiscal year the amount required for the operation of the Personnel Board, as appropriated above. The agency assessment shall be determined by the Secretary of the Finance and Administration Cabinet based on the authorized full-time positions of each agency on July 1 each year of the biennium. The Secretary of the Finance and Administration Cabinet shall collect the assessment and allot these Restricted Funds for the routine operations of the Personnel Board. Notwithstanding KRS 45.229, any Restricted Funds generated by this assessment not spent in fiscal year 2006-2007 shall not lapse but shall be carried forward to the next fiscal year and utilized for the routine operations of the Personnel Board.

(2) Special Assessment: As a result of increased workload or for other reasons in the best interest of the State Merit System, the Chairman of the Personnel Board may request a special assessment to adequately provide for the financial needs and operation of the Personnel Board. Any special assessment for Personnel Board operations shall receive the prior approval of the State Budget Director and the Secretary of the Finance and Administration Cabinet. Should any special assessment be approved, it shall be uniformly implemented in accordance with the same procedures as the regular Personnel

1 Board Operating Assessment.

2 **25. KENTUCKY RETIREMENT SYSTEMS**

	2005-06	2006-07	2007-08
4 Restricted Funds	1,235,000	22,580,700	24,253,100

5 **(1) Dependent Subsidy for Retirees - Kentucky Employee Retirement**
6 **System:** From July 1, 2006, through December 31, 2007, in addition to the benefits
7 conferred under KRS 61.702, a recipient of a nonhazardous monthly retirement allowance
8 shall also be eligible for the dependent subsidy as provided under the terms established by
9 the State Group Health Insurance Program. The dependent subsidy conferred to recipients
10 of a nonhazardous monthly retirement allowance shall not be considered as a benefit
11 protected by the inviolable contract provisions of KRS 61.692, 16.652 and 78.852.

12 **(2) Dependent Subsidy for Retirees - County Employees Retirement System:**
13 From July 1, 2006, through December 31, 2007, in addition to the benefits conferred
14 under KRS 61.702, a recipient of a nonhazardous monthly retirement allowance shall also
15 be eligible for the dependent subsidy as provided under the terms established by the State
16 Group Health Insurance Program. The dependent subsidy conferred to recipients of a
17 nonhazardous monthly retirement allowance shall not be considered as a benefit
18 protected by the inviolable contract provisions of KRS 61.692, 16.652 and 78.852.

19 **26. OCCUPATIONAL AND PROFESSIONAL BOARDS AND COMMISSIONS**

20 **a. Accountancy**

	2006-07	2007-08
22 Restricted Funds	617,600	619,200

23 **b. Certification of Alcohol and Drug Counselors**

	2006-07	2007-08
25 Restricted Funds	67,200	67,200

26 **c. Architects**

	2006-07	2007-08
27		

1	Restricted Funds	356,600	362,800
2	d. Certification for Professional Art Therapists		
3		2006-07	2007-08
4	Restricted Funds	11,400	11,400
5	e. Auctioneers		
6		2006-07	2007-08
7	Restricted Funds	405,500	412,700
8	f. Barbering		
9		2006-07	2007-08
10	Restricted Funds	247,400	249,400
11	g. Chiropractic Examiners		
12		2006-07	2007-08
13	Restricted Funds	203,900	211,100
14	h. Dentistry		
15		2006-07	2007-08
16	Restricted Funds	639,800	641,800
17	i. Licensure and Certification for Dietitians and Nutritionists		
18		2006-07	2007-08
19	Restricted Funds	77,500	77,500
20	j. Embalmers and Funeral Directors		
21		2006-07	2007-08
22	Restricted Funds	259,400	262,800

23 **(1) Military Burial Honor Guard Program:** Pursuant to KRS 36.390, the
24 Department of Military Affairs shall coordinate with the Department of Veterans' Affairs
25 and the Board of Embalmers and Funeral Directors on the implementation of the Military
26 Burial Honor Guard Program. The Board of Embalmers and Funeral Directors shall mail
27 program notification letters to all licensed embalmers and funeral directors with

information related to program description and contacts for the Military Burial Honor Guard Program. These letters shall be mailed with the annual renewal notifications prior to July 1 each year. New applicants will receive their notification of the program at the time of licensing. The Board of Embalmers and Funeral Directors shall establish a section on the Board's Web site pertaining to the Military Burial Honor Guard Program. The Department of Military Affairs and the Department of Veterans' Affairs shall report to the Interim Joint Committee on Seniors, Veterans, Military Affairs, and Public Protection prior to January 1, 2007, on the implementation of the Military Burial Honor Guard Program. The report shall include recommendations on organizational related matters, training and continuing education needs, equipment requirements for organizations performing or coordinating the honors ceremonies, and the expenditure of funds.

k. Licensure for Professional Engineers and Land Surveyors

	2006-07	2007-08
Restricted Funds	1,398,400	1,411,400

l. Certification of Fee-Based Pastoral Counselors

	2006-07	2007-08
Restricted Funds	3,500	3,500

m. Registration for Professional Geologists

	2006-07	2007-08
Restricted Funds	135,000	135,000

n. Hairdressers and Cosmetologists

	2006-07	2007-08
Restricted Funds	1,043,000	1,074,100

o. Specialists in Hearing Instruments

	2006-07	2007-08
Restricted Funds	55,200	55,200

p. Interpreters for the Deaf and Hard of Hearing

1		2006-07	2007-08
2	Restricted Funds	31,000	31,000
3	q. Examiners and Registration of Landscape Architects		
4		2006-07	2007-08
5	Restricted Funds	53,000	53,200
6	r. Licensure of Marriage and Family Therapists		
7		2006-07	2007-08
8	Restricted Funds	83,200	83,200
9	s. Licensure for Massage Therapy		
10		2006-07	2007-08
11	Restricted Funds	62,800	62,800
12	t. Medical Licensure		
13		2006-07	2007-08
14	Restricted Funds	2,408,200	2,427,400
15	u. Nursing		
16		2006-07	2007-08
17	Restricted Funds	4,656,900	4,760,600
18	v. Licensure for Nursing Home Administrators		
19		2006-07	2007-08
20	Restricted Funds	76,200	76,200
21	w. Licensure for Occupational Therapy		
22		2006-07	2007-08
23	Restricted Funds	86,000	86,000
24	x. Ophthalmic Dispensers		
25		2006-07	2007-08
26	Restricted Funds	62,900	62,900
27	y. Optometric Examiners		

1		2006-07	2007-08
2	Restricted Funds	167,200	166,400
3	z. Pharmacy		
4		2006-07	2007-08
5	Restricted Funds	1,037,200	1,045,000
6	aa. Physical Therapy		
7		2006-07	2007-08
8	Restricted Funds	264,700	264,700
9	ab. Podiatry		
10		2006-07	2007-08
11	Restricted Funds	21,700	21,700
12	ac. Private Investigators		
13		2006-07	2007-08
14	Restricted Funds	64,200	64,200
15	ad. Licensed Professional Counselors		
16		2006-07	2007-08
17	Restricted Funds	56,200	56,200
18	ae. Proprietary Education		
19		2006-07	2007-08
20	Restricted Funds	164,300	164,300
21	af. Examiners of Psychology		
22		2006-07	2007-08
23	Restricted Funds	176,100	176,100
24	ag. Real Estate Appraisers		
25		2006-07	2007-08
26	Restricted Funds	602,700	604,200
27	ah. Real Estate Commission		

1			2006-07	2007-08
2	Restricted Funds		2,744,300	2,666,600
3	ai. Respiratory Care			
4			2006-07	2007-08
5	Restricted Funds		127,100	127,100
6	aj. Social Work			
7			2006-07	2007-08
8	Restricted Funds		145,300	145,300
9	ak. Speech-Language Pathology and Audiology			
10			2006-07	2007-08
11	Restricted Funds		92,000	92,000
12	al. Veterinary Examiners			
13			2006-07	2007-08
14	Restricted Funds		237,800	237,800
15	TOTAL - OCCUPATIONAL AND PROFESSIONAL BOARDS AND			
16	COMMISSIONS			
17			2006-07	2007-08
18	Restricted Funds		18,942,400	19,070,000
19	27. EMERGENCY MEDICAL SERVICES			
20		2005-06	2006-07	2007-08
21	General Fund	-0-	2,393,700	2,373,800
22	Restricted Funds	40,000	401,300	422,700
23	Federal Funds	-0-	155,000	155,000
24	TOTAL	40,000	2,950,000	2,951,500
25	28. KENTUCKY RIVER AUTHORITY			
26			2006-07	2007-08
27	General Fund		368,200	1,978,800

1	Restricted Funds	5,436,600	4,414,800
2	TOTAL	5,804,800	6,393,600

3 **(1) Water Withdrawal Fees:** The water withdrawal fees imposed by the
4 Kentucky River Authority shall not be subject to state and local taxes. Notwithstanding
5 that portion of the provision of KRS 151.710(10) that directs the Finance and
6 Administration Cabinet to provide administrative services for the Kentucky River
7 Authority, Tier I water withdrawal fees shall be used to support the operations of the
8 Authority and for contractual services for water supply and quality studies.

9 **(2) Debt Service - Kentucky River Locks and Dams Maintenance and**
10 **Renovations Pool:** Included in the above General Fund appropriation is \$1,630,000 in
11 fiscal year 2007-2008 for debt service on \$17,500,000 in Bond Funds, and in the
12 Restricted Funds appropriation \$3,092,000 in fiscal year 2007-2008 for debt service on
13 \$33,200,000 in Agency Bond Funds for the Kentucky River Locks and Dams
14 Maintenance and Renovations Pool, as set forth in Part II, Capital Projects Budget, of this
15 Act. The Agency Bonds may be issued by the State Property and Buildings Commission
16 or the Kentucky Asset Liability Commission.

17 **29. SCHOOL FACILITIES CONSTRUCTION COMMISSION**

18		2006-07	2007-08
19	General Fund	107,589,000	117,974,500

20 **(1) Debt Service:** Included in the above General Fund appropriation is
21 \$1,688,000 in fiscal year 2006-2007 and \$8,439,000 in fiscal year 2007-2008 for debt
22 service on \$150,000,000 in bonds as set forth in Part II, Capital Projects Budget, of this
23 Act.

24 **(2) Growth Nickel Levy:** The Facilities Support Program of Kentucky is fully
25 funded in the 2006-2008 fiscal biennium. Notwithstanding KRS 157.621(3), local school
26 districts may exercise authority expressed in KRS 157.621(1) and (2).

27 **(3) School Facility Revenue:** A local board of education may commit an

1 equivalent tax rate not to exceed five cents in addition to the taxes levied in KRS
2 157.440(1)(b). Receipts from the levy shall be committed to debt service, new facilities,
3 or major renovations of existing school facilities. The tax rate levied by the local board of
4 education under this provision shall be made no later than October 1 of each odd-
5 numbered year and shall not be equalized with state funding. The levy shall be subject to
6 recall.

7 **(4) Urgent Need School Trust Fund:** The Urgent Need School Trust Fund is
8 established in the Finance and Administration Cabinet for the purpose of assisting school
9 districts that have urgent and critical construction needs. The Urgent Need School Trust
10 Fund shall be administered by the School Facilities Construction Commission. The fund
11 may receive state appropriations, contributions, and grants from any source which shall
12 be credited to the trust fund and invested until needed. All interest earned on the fund
13 shall be retained in the trust fund. Notwithstanding KRS 45.229, moneys in the trust fund
14 shall not lapse, but shall carry forward at the end of each fiscal year.

15 The Secretary of the Finance and Administration Cabinet, the Commissioner of
16 Education, and the Executive Director of the School Facilities Construction Commission
17 shall jointly establish an Urgent Need School Trust Fund Advisory Committee to develop
18 guidelines for the distribution of funds and to advise the School Facilities Construction
19 Commission on the distribution of funds from this trust fund. Funds may be distributed to
20 local school districts to address anomalies in the existing school construction funding
21 formulas as direct grants, loans, matching funds, additional offers of assistance to address
22 districts' unmet needs, or as equalization funds in situations where school districts have
23 levied additional taxes for school construction purposes. The guidelines developed for
24 distribution of funds from this trust fund shall be developed and presented to the Interim
25 Joint Committee on Appropriations and Revenue and the Interim Joint Committee on
26 Education no later than September 31, 2006. Area Vocational Centers shall be eligible to
27 participate in the Urgent Need School Trust Fund. Included in the above appropriation is

1 \$5,000,000 in fiscal year 2007-2008 for the Urgent Need School Trust Fund that may be
2 distributed after July 1, 2007. In addition, funds authorized in subsections (1) and (6) of
3 this section may be distributed to local school districts based on the guidelines developed
4 by the Urgent Need School Trust Fund Advisory Committee after July 1, 2007.

5 **(5) Offers of Assistance:** Notwithstanding KRS 157.622, a local school district
6 may accumulate credit, subject to the availability of funds, for its unused state allocation
7 for a period not to exceed eight years.

8 **(6) Additional Offers of Assistance:** Notwithstanding KRS 157.611 to 157.640,
9 157.650, 157.655, 157.660, or 157.665, the School Facilities Construction Commission is
10 authorized to make an additional \$100,000,000 in offers of assistance during the 2006-
11 2008 biennium in anticipation of debt service availability during the 2008-2010
12 biennium. No bonded indebtedness based on the above amount is to be incurred during
13 the 2006-2008 biennium.

14 **(7) Debt Service:** Notwithstanding KRS 45.229, moneys appropriated for debt
15 service shall not lapse but shall be credited to the Urgent Need School Trust Fund.

16 **(8) Administrative Costs:** The School Facilities Construction Commission may
17 utilize up to \$300,000 in each fiscal year of the 2006-2008 biennium for administrative
18 purposes.

19 **(9) School Facilities Evaluation:** The Kentucky Department of Education, in
20 partnership with the School Facilities Construction Commission, shall conduct a
21 comprehensive evaluation of the current facilities planning process, the process for
22 categorizing schools for planning and funding purposes, major plant maintenance
23 planning and implementation, the process used to determine unmet school facility needs,
24 and the degree of equity in the distribution of state capital funds. The department shall
25 involve local superintendents, finance officers, facility managers and other local school
26 personnel, consultants who are knowledgeable in school facilities planning and
27 construction, and others as deemed appropriate.

1 The evaluation shall consider:

2 (a) The feasibility of adding weights for special needs or situations, including but
3 not limited to student growth, inadequate classroom space, student accommodations,
4 health and safety needs, compliance with the Americans with Disabilities Act, school
5 district size, and overall building condition as certified by the Department of Education,
6 in the calculation of unmet needs;

7 (b) The adequacy of long-range planning for plant maintenance, procedures for
8 improving long-range planning, and the appropriate level of monitoring by local and state
9 officials;

10 (c) Measurable, objective criteria for categorizing schools for local planning
11 purposes and for the distribution of state capital funds;

12 (d) A waiver system to accommodate special facility needs;

13 (e) The level of technical assistance and training that is necessary to ensure that
14 local school district personnel are knowledgeable of the facility planning process, capital
15 construction funding mechanisms, and long-range planning and examine the most
16 effective methods for providing technical assistance and training; and

17 (f) A detailed review of all capital funding sources, and a study of local effort, to
18 include an examination of the individual and cumulative effect of multiple funding
19 sources on the equitable distribution of state capital construction funds and the effects of
20 permitting individual school districts to levy additional taxes for construction purposes
21 based on special or unique circumstances in that school district.

22 Notwithstanding KRS 157.622, the School Facilities Construction Commission , in
23 cooperation with the Urgent Need School Trust Fund Advisory Committee, shall
24 incorporate the findings and recommendations of this evaluation in determining the 2006
25 Offers of Assistance to local school districts. The School Facilities Construction
26 Commission is authorized to make the 2006 Offers of Assistance prior to completion of
27 this evaluation if sufficient data and other information is available.

A preliminary report shall be made to the Interim Joint Committee on Appropriations and Revenue no later than September 15, 2006, and a final report, including recommendations for regulatory or statutory change, shall be made no later than September 30, 2006.

(10) Use of Local District Capital Outlay Funds: Notwithstanding KRS 157.420(4) and (6), a local district may submit a request to the Commissioner of Education to use capital outlay funds for maintenance expenditures or for the purchase of property insurance in fiscal year 2006-2007 and fiscal year 2007-2008 without forfeiture of the district's participation in the School Facilities Construction Commission Program.

30. TEACHERS' RETIREMENT SYSTEM

	2006-07	2007-08
General Fund	157,326,100	183,323,100
Restricted Funds	9,409,300	10,361,500
TOTAL	166,735,400	193,684,600

(1) State Retirement Obligations: Notwithstanding KRS 161.550, General Fund moneys are appropriated to comply with the obligations of the state under the Teachers' Retirement System statutes as provided in KRS 161.220 to 161.716.

(2) Administrative Costs: In accordance with KRS 161.420, in each fiscal year an amount not greater than four percent of the receipts of the state accumulation fund shall be set aside into the expense fund or expended for the administration of the retirement system. No General Fund moneys are provided in fiscal year 2006-2007 or fiscal year 2007-2008 for the cost of administration.

(3) Amortization of Sick Leave: Included in the above General Fund appropriation is \$4,293,800 in fiscal year 2006-2007 and \$9,211,000 in fiscal year 2007-2008 to provide the cost of amortizing the requirements of KRS 161.155 (sick leave) for members retiring during the 2006-2008 fiscal biennium.

(4) Cost-of-Living Increase for Retirees: Included in the above General Fund

1 appropriation is \$4,312,800 in fiscal year 2006-2007 and \$7,865,100 in fiscal year 2007-
 2 2008 to provide, when combined with the annual one and one-half percent retirement
 3 allowance increase as provided for under KRS 161.620, a total increase in retirement
 4 allowances of eligible system members and beneficiaries of two and three-tenths percent
 5 in fiscal year 2006-2007 and an additional two and one-tenths in fiscal year 2007-2008.

6 **(5) Supplemental Health Insurance Funding:** Notwithstanding KRS
 7 161.675(4)(a) included in the above General Fund appropriation is \$50,000 in each fiscal
 8 year to enable the retirement system to provide a subsidy from July 1, 2006, through
 9 December 31, 2007, for those retired state members over age 65 that insure their spouses
 10 under age 65 through the state health insurance plan. The amount of the subsidy for those
 11 over age 65 shall not exceed the amount of the subsidy for members under age 65 that
 12 choose couple, family, or parent plus coverage. The spousal subsidy is not subject to KRS
 13 161.714.

14 **(6) State Medical Insurance Fund Stabilization Contribution:**
 15 Notwithstanding KRS 161.420 and 161.550, a portion of the state employer contribution
 16 in a sufficient amount shall be allocated to the Teachers' Retirement System Medical
 17 Insurance Fund instead of the State Accumulation Fund. Also included in the above
 18 General Fund appropriation is \$14,133,200 in fiscal year 2007-2008 to amortize the cost
 19 of the State Medical Insurance Fund Stabilization Contribution with the remainder to be
 20 amortized under the schedule set forth in KRS 161.553.

21 **(7) Dependent Subsidy for Retirees under age 65:** Notwithstanding KRS
 22 161.675(4)(a), from July 1, 2006, through December 31, 2007, for all retirees under the
 23 age of 65 who participate in the Kentucky Group Health Insurance Program through the
 24 Kentucky Teachers' Retirement System, the Kentucky Teachers' Retirement System shall
 25 pay the same dependent subsidy that Executive Branch agencies pay for their active
 26 employees who have similar coverage. The dependent subsidy is not subject to KRS
 27 161.714.

1 **(8) Ad Hoc State Contribution:** Included in the above General Fund
 2 appropriation is \$12,974,100 in fiscal year 2006-2007 and \$29,444,100 in fiscal year
 3 2007-2008 for an ad hoc contribution to the State Accumulation Fund.

4 **(9) Highly Skilled Educators' Retirement Benefits:** Salary supplements
 5 received by persons selected as highly skilled educators on or after July 1, 2000, shall not
 6 be included in the total salary compensation for any retirement benefits to which the
 7 employee may be entitled.

8 **31. JUDGMENTS**

9		2005-06	2006-07	2007-08
10	General Fund	-0-	-0-	-0-

11 **(1) Payment of Judgments and Carry Forward of General Fund**
 12 **Appropriation Balance:** The above appropriation is for the payment of judgments as
 13 may be rendered against the Commonwealth by courts and orders of the State Personnel
 14 Board and, where applicable, shall be subject to the provisions of KRS Chapter 45, and
 15 for the payment of medical malpractice judgments against the University of Kentucky and
 16 the University of Louisville in accordance with KRS 164.892 and 164.941.
 17 Notwithstanding KRS 45.229, any remaining appropriation in the Judgments account at
 18 the end of fiscal year 2005-2006 or fiscal year 2006-2007 shall not lapse but shall be
 19 carried forward.

20 **32. APPROPRIATIONS NOT OTHERWISE CLASSIFIED**

21		2006-07	2007-08
22	General Fund	3,917,500	3,917,500

23 **(1) Funding Sources for Appropriations Not Otherwise Classified:** Funds
 24 required to pay the costs of items included within the Appropriations Not Otherwise
 25 Classified are appropriated, and any required expenditure over the above amounts is to be
 26 paid first from the General Fund Surplus Account (KRS 48.700), if available, or from any
 27 available balance in either the Judgments budget unit appropriation or the Budget Reserve

1 Trust Fund Account (KRS 48.705), subject to the conditions and procedures provided in
2 this Act.

3 The above appropriation is for the payment of Attorney General Expense, Board of
4 Claims Award, Guardian Ad Litem, Prior Year Claims, Unredeemed Checks Refunded,
5 Involuntary Commitments - ICF/MR, Frankfort in Lieu of Taxes, Frankfort Cemetery,
6 Police Officers and Firefighters Survivor Benefits, Medical Malpractice Liability
7 Insurance Reimbursement, and Blanket Employee Bonds.

8 **(2) Repayment of Awards or Judgments:** Funds are appropriated from the
9 General Fund for the repayment of awards or judgments made by the Board of Claims
10 against departments, boards, commissions, and other agencies maintained by
11 appropriations out of the General Fund. However, awards under \$5,000 shall be paid
12 from funds available for the operations of the agency.

13 **(3) Guardian Ad Litem Fees:** Included in the above appropriation is funding for
14 fees to be paid to each guardian ad litem appointed by the court pursuant to KRS 311.732.
15 The fee shall be fixed by the court and shall not exceed \$500.

16 **(4) Reissuance of Uncashed Checks:** Checks written by the State Treasurer and
17 not cashed within the statutory period may be presented to the State Treasurer for
18 reissuance in accordance with KRS 41.370.

19 **(5) Police Officer and Firefighter Survivor Benefits:** Funds are appropriated
20 for payment of benefits for state and local police officers and firefighters in accordance
21 with KRS 61.315 and 95A.070.

22 **TOTAL - GENERAL GOVERNMENT**

23		2005-06	2006-07	2007-08
24	General Fund (Tobacco)	-0-	17,469,800	20,065,100
25	General Fund	101,000	550,266,300	618,517,500
26	Restricted Funds	1,275,000	131,392,600	132,843,000
27	Federal Funds	126,100	225,524,800	221,595,900

1	Road Fund	-0-	600,000	600,000
2	TOTAL	1,502,100	925,253,500	993,621,500

3 B. COMMERCE CABINET

4 Budget Units

5 1. SECRETARY

6		2006-07	2007-08
7	General Fund	3,089,100	3,114,000
8	Restricted Funds	1,046,200	1,062,900
9	TOTAL	4,135,300	4,176,900

10 (1) **Outdoor Drama Grants:** Included in the above General Fund appropriation
 11 is \$371,000 in each fiscal year for the purpose of supporting the following grants:
 12 Someday Outdoor Drama, \$20,000 in each fiscal year; Stephen Foster, \$81,000 in each
 13 fiscal year; Pioneer School of Drama, \$28,500 in each fiscal year; Music Theater of
 14 Louisville, \$9,000 in each fiscal year; Pine Knob Theater, \$29,500 in each fiscal year;
 15 Kincaid Regional Theater, \$27,500 in each fiscal year; Twilight Cabaret, \$9,000 in each
 16 fiscal year; Horse Cave Theater, \$26,000 in each fiscal year; Jenny Wiley, \$39,500 in
 17 each fiscal year; Indian Fort Drama of Berea, \$25,000 in each fiscal year; Fort Harrod
 18 Drama Productions, \$41,000 in each fiscal year, Greenbo Lake State Resort Park,
 19 \$10,000 in each fiscal year; and Russell County Ruscotown Players Production, \$25,000
 20 in each fiscal year.

21 2. ARTISANS CENTER

22		2005-06	2006-07	2007-08
23	General Fund	-0-	156,200	156,200
24	Restricted Funds	125,800	2,169,000	2,193,400
25	TOTAL	125,800	2,325,200	2,349,600

26 3. ENERGY POLICY

27		2005-06	2006-07	2007-08
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1	General Fund	-0-	2,341,500	2,341,500
2	Restricted Funds	89,600	5,400,000	5,400,000
3	Federal Funds	-0-	2,382,800	2,382,800
4	TOTAL	89,600	10,124,300	10,124,300

5 **(1) Energy Research and Development:** Included in the above Restricted Funds
6 appropriation is \$3,500,000 in fiscal year 2006-2007 and \$3,500,000 in fiscal year 2007-
7 2008 which shall be used for research projects relating to clean coal, new combustion
8 technology, thin-seam coal extraction research, synthetic natural gas produced from coal
9 through gasification processes, and the development of alternative transportation fuels
10 produced by processes that convert coal or biomass resources or extract oil from oil shale
11 and shall be targeted solely to Kentucky's Local Government Economic Development
12 Fund-eligible counties. The Office of Energy Policy shall coordinate its efforts with those
13 of Kentucky's universities and related Kentucky Community and Technical College
14 System programs in order to maximize Kentucky's opportunities for federal funding and
15 receive research grants and awards from federal and other sources of funding for the
16 development of clean coal technology, coal-to-liquid-fuel conversion, alternate
17 transportation fuels, and biomass energy resources.

18 **4. TOURISM**

19		2006-07	2007-08
20	General Fund	7,130,500	7,176,500
21	Restricted Funds	8,700,000	9,200,000
22	TOTAL	15,830,500	16,376,500

23 **(1) Tourism Marketing and Development:** Included in the above Restricted
24 Funds appropriation is \$1,000,000 in fiscal year 2006-2007 and \$1,000,000 in fiscal year
25 2007-2008 for Tourism Marketing and Development on behalf of the coal-producing
26 counties. Fees for professional artists and entertainers performing on the Kentucky Music
27 Trail may be paid from the Tourism Marketing Program.

1 **(2) Bluegrass State Games:** Included in the above General Fund appropriation is
 2 \$50,000 in each fiscal year for the Bluegrass State Games.

3 **5. PARKS**

	2006-07	2007-08
4 General Fund	27,978,400	31,145,400
5 Restricted Funds	55,217,700	56,335,600
6 TOTAL	83,196,100	87,481,000

7 **(1) Park Capital Maintenance and Renovation Fund:** Notwithstanding KRS
 8 148.810, the General Assembly authorizes the use of the Park Capital Maintenance and
 9 Renovation Fund for any ongoing cost of the Department of Parks.

10 **(2) Debt Service:** Included in the above General Fund appropriation is
 11 \$3,167,000 in fiscal year 2007-2008 for new debt service to support new bonds as set
 12 forth in Part II, Capital Projects Budget, of this Act.

13 **(3) Nicholas Hildreth School:** Included in the above Restricted Funds
 14 appropriation is \$60,000 in fiscal year 2006-2007 to move the Nicholas Hildreth School
 15 to Blue Licks Battlefield State Park.

16 **(4) Buckhorn Lake State Park:** Included in the above Restricted Funds
 17 appropriation is \$125,000 in fiscal year 2006-2007 to construct boat slips at Buckhorn
 18 Lake State Park.

19 **6. HORSE PARK COMMISSION**

	2006-07	2007-08
20 General Fund	1,708,200	5,034,200
21 Restricted Funds	6,239,300	6,246,500
22 TOTAL	7,947,500	11,280,700

23 **(1) Debt Service:** Included in the above General Fund appropriation is
 24 \$3,399,000 in fiscal year 2007-2008 for new debt service to support new bonds as set
 25 forth in Part II, Capital Projects Budget, of this Act.

7. STATE FAIR BOARD

	2006-07	2007-08
General Fund	396,800	553,800
Restricted Funds	37,058,600	37,821,900
TOTAL	37,455,400	38,375,700

(1) Debt Service: Included in the above Restricted Funds appropriation is \$4,322,100 in fiscal year 2006-2007 and \$4,424,400 in fiscal year 2007-2008 for previously issued bonds.

(2) Debt Service: Included in the above General Fund appropriation is \$157,000 in fiscal year 2007-2008 for new debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act.

8. FISH AND WILDLIFE RESOURCES

	2006-07	2007-08
Restricted Funds	28,778,500	29,810,000
Federal Funds	10,063,900	10,098,100
TOTAL	38,842,400	39,908,100

9. HISTORICAL SOCIETY

	2005-06	2006-07	2007-08
General Fund	125,000	8,762,800	8,045,500
Restricted Funds	-0-	760,900	819,600
Federal Funds	-0-	1,004,200	516,800
TOTAL	125,000	10,527,900	9,381,900

(1) City of Hodgenville: Included in the above General Fund appropriation is \$750,000 in fiscal year 2006-2007 to provide a grant for the City of Hodgenville to match Federal Funds.

(2) Abraham Lincoln Bicentennial Commission: Included in the above General Fund appropriation is \$2,000,000 in each year of the biennium for the Abraham Lincoln

1 Bicentennial Commission.

2 **(3) Perryville Battlefield:** Included in the above General Fund appropriation is
3 \$75,000 in fiscal year 2005-2006 for the 2006 reenactment of the battle at Perryville.

4 **(4) Lincoln Wedding Reenactment:** Included in the above General Fund
5 appropriation is \$50,000 in fiscal year 2005-2006 for the Abraham Lincoln Bicentennial
6 Commission to support the Lincoln Wedding Reenactment.

7 **(5) Debt Service:** Included in the above General Fund appropriation is \$32,000 in
8 fiscal year 2007-2008 for new debt service to support new bonds as set forth in Part II,
9 Capital Projects Budget, of this Act.

10 **10. ARTS COUNCIL**

	2006-07	2007-08
11 General Fund	4,203,200	4,182,500
12 Restricted Funds	441,900	452,700
13 Federal Funds	744,900	740,000
14 TOTAL	5,390,000	5,375,200

16 **(1) Open Meetings:** Any entity involved in producing or financing arts on a local
17 or statewide basis, since the inception of fiscal year 2004-2005, which received a total of
18 \$25,000 or less as a result of appropriations or grants from state or local governmental
19 units, shall be exempt from the requirements of KRS 61.800 to 61.850.

20 **(2) Open Records:** Any entity involved in producing or financing arts on a local
21 or statewide basis, since the inception of fiscal year 2004-2005, which received a total of
22 \$25,000 or less as a result of appropriations or grants from state or local governmental
23 units shall be exempt from the requirements of KRS 61.870 to 61.884.

24 **11. HERITAGE COUNCIL**

	2006-07	2007-08
25 General Fund	940,000	900,000
26 Restricted Funds	469,300	487,100

1	Federal Funds	669,000	669,000
2	TOTAL	2,078,300	2,056,100

3 **(1) African-American Heritage Council:** Included in the above General Fund
 4 appropriation is \$40,000 in fiscal year 2006-2007 for the African-American Heritage
 5 Council.

6 **12. KENTUCKY CENTER FOR THE ARTS**

7		2006-07	2007-08
8	General Fund	1,114,400	1,264,400

9 **(1) Governor's School for the Arts:** Included in the above General Fund
 10 appropriation is \$150,000 in fiscal year 2007-2008 for stabilization of the Governor's
 11 School for the Arts.

12 **TOTAL - COMMERCE CABINET**

13		2005-06	2006-07	2007-08
14	General Fund	125,000	57,821,100	63,914,000
15	Restricted Funds	215,400	146,281,400	149,829,700
16	Federal Funds	-0-	14,864,800	14,406,700
17	TOTAL	340,400	218,967,300	228,150,400

18 **C. ECONOMIC DEVELOPMENT CABINET**

19 **Budget Units**

20 **1. SECRETARY**

21		2006-07	2007-08
22	General Fund	16,619,000	21,550,200
23	Restricted Funds	1,340,000	1,340,000
24	TOTAL	17,959,000	22,890,200

25 **(1) New Economy High-Tech Construction and High-Tech Investment Pools:**
 26 Included in the above General Fund appropriation is \$1,026,000 in fiscal year 2007-2008
 27 for new debt service as set forth in Part II, Capital Projects Budget, of this Act. The

Commissioner of the Department for Commercialization and Innovation shall determine the amounts to be apportioned between the High-Tech Investment and High-Tech Construction Pools.

(2) Funding for Commercialization and Innovation: Notwithstanding Subchapter 20 of KRS Chapter 154, interest income earned on balances in the High-Tech Construction Pool and the High-Tech Investment Pool shall be used to support the Department for Commercialization and Innovation within the Cabinet for Economic Development. Upon the recommendation of the Commissioner, these funds are authorized and appropriated to fund High-Tech Construction Pool and High-Tech Investment Pool projects. Loan repayments received by the High-Tech Construction and High-Tech Investment Pools are appropriated in addition to amounts specified in Part II, Capital Projects Budget, of this Act.

(3) Louisville Waterfront Development Corporation: Included in the above General Fund appropriation is \$420,800 in fiscal year 2006-2007 and \$420,800 in fiscal year 2007-2008 for the Louisville Waterfront Development Corporation.

2. NEW BUSINESS DEVELOPMENT

	2006-07	2007-08
General Fund	1,365,200	1,377,500
Restricted Funds	747,000	747,000
TOTAL	2,112,200	2,124,500

3. FINANCIAL INCENTIVES

	2006-07	2007-08
General Fund	3,200,000	4,015,000
Restricted Funds	1,789,600	1,810,600
TOTAL	4,989,600	5,825,600

(1) Debt Service: Included in the above General Fund appropriation is \$815,000 in fiscal year 2007-2008 for debt service to support new bonds as set forth in Part II,

1 Capital Projects Budget, of this Act.

2 **(2) Carry Forward of General Fund Appropriation Balance for Bluegrass**
 3 **State Skills Corporation:** Notwithstanding KRS 45.229, the General Fund appropriation
 4 balance for training grants for fiscal year 2006-2007 and for fiscal year 2007-2008 for the
 5 Bluegrass State Skills Corporation shall not lapse and shall carry forward. The
 6 Corporation is authorized to extend an additional \$1,500,000 in training grant offers
 7 during the 2006-2008 biennium. If such offers are made and disbursements are required
 8 to support those offers, funds shall be appropriated from the General Fund Surplus
 9 Account (KRS 48.700) in an amount not to exceed \$1,500,000.

10 **4. EXISTING BUSINESS DEVELOPMENT**

11		2006-07	2007-08
12	General Fund	3,457,500	3,503,400
13	Restricted Funds	210,000	210,000
14	Federal Funds	155,400	155,400
15	TOTAL	3,822,900	3,868,800

16 **(1) Small and Minority Business Entrepreneurship:** The Kentucky Economic
 17 Development Finance Authority shall make available \$300,000 in fiscal year 2007-2008
 18 for micro-business loans in the Small and Minority Business entrepreneurship program in
 19 the Department of Existing Business Development.

20 **TOTAL - ECONOMIC DEVELOPMENT CABINET**

21		2006-07	2007-08
22	General Fund	24,641,700	30,446,100
23	Restricted Funds	4,086,600	4,107,600
24	Federal Funds	155,400	155,400
25	TOTAL	28,883,700	34,709,100

26 **D. DEPARTMENT OF EDUCATION**

27 **Budget Units**

1. EXECUTIVE POLICY AND MANAGEMENT

	2006-07	2007-08
General Fund	672,000	679,800

(1) Employment of Personnel: Notwithstanding KRS 18A.115, the Department of Education may fill, through memoranda of agreement, not more than 50 percent of its existing authorized positions below the division director level with individuals employed as school administrators and educators in Kentucky.

(2) Employment of Leadership Personnel: Notwithstanding KRS 18A.005 to 18A.200, the Kentucky Board of Education shall continue to have sole authority to determine the employees of the Department of Education who are exempt from the classified service and to set their compensation comparable to the competitive market.

2. OPERATIONS AND SUPPORT SERVICES

	2006-07	2007-08
General Fund	36,925,500	56,074,400
Restricted Funds	7,210,100	7,210,100
Federal Funds	8,527,800	8,527,800
TOTAL	52,663,400	71,812,300

(1) Teachers' Retirement System Employer Match: Included in the above General Fund appropriation is \$2,705,600 in fiscal year 2006-2007 and \$2,840,900 in fiscal year 2007-2008 to enable the Department of Education to provide the employer match for the teacher retirement contribution for qualified employees as provided by KRS 161.550.

(2) Debt Service: Included in the above General Fund appropriation is \$8,898,000 in fiscal year 2007-2008 to provide for debt service for new bonds as set forth in Part II, Capital Projects Budget, of this Act. Included in the \$8,898,000 is \$620,000 in fiscal year 2007-2008 to provide debt service for new bonds for a high-speed education telecommunications network that supports a set of seamless P-16 management,

1 instructional, and research applications. The network shall consist of 100 MBPS to at
2 least 40 percent of Kentucky's local school districts and at least ten MBPS to the
3 remaining local school districts. Included in the \$8,898,000 is \$696,000 in fiscal year
4 2007-2008 to provide debt service for a functionally robust and modern system to ensure
5 the efficient collection and management of student information, including a unique
6 student identifier, at the school, district, and state levels. Included in the \$8,898,000 is
7 \$1,044,000 in fiscal year 2007-2008 to provide debt service for a Web-based, on-line
8 testing program that provides a quicker return of test results, student accountability, and
9 assessment integration into teaching and learning situations on a real-time basis. Included
10 in the \$8,898,000 is \$229,000 in fiscal year 2007-2008 to provide debt service for a
11 knowledge management portal that will provide K-12 public educators with intuitive
12 access to indexed, aligned, and well-organized Web-based instructional resources such as
13 units of study that connect curriculum, instruction, and assessment with other data
14 generated by schools and the Kentucky Department of Education. Included in the
15 \$8,898,000 is \$6,069,000 in fiscal year 2007-2008 to provide debt service for the
16 purchase of modern workstations, stationary or mobile, for public K-12 schools to
17 support advanced instructional activities, including on-line learning and Internet 2
18 instructional activities. The Kentucky Board of Education shall approve a plan for
19 distribution of the workstations. Included in the \$8,898,000 is \$144,000 in fiscal year
20 2007-2008 to provide debt service for the Rockcastle County Vocational and Technical
21 Center. Included in the \$8,898,000 is \$96,000 in fiscal year 2007-2008 to provide debt
22 service for the Letcher County Central Vocational Center.

23 **(3) School Technology in Coal Counties:** Included in the above Restricted
24 Funds appropriation is \$5,000,000 in each fiscal year from the Local Government
25 Economic Development Multi-County Fund for the purpose of enhancing education
26 technology in local school districts within coal-producing counties. The Commissioner of
27 the Department of Education is authorized to use up to \$1,000,000 of the above

1 \$5,000,000 appropriation in each fiscal year to make offers of assistance to qualifying
 2 local school districts in coal-producing counties to fund technology projects; to be
 3 eligible for these offers of assistance, local school districts may be required to provide a
 4 match of not more than two to one from any of their other funding courses. The
 5 Commissioner of the Department of Education shall use \$2,500,000 of the above
 6 \$5,000,000 appropriation to continue the Coal County Computing program under the
 7 direction of the Kentucky Economic Development Finance Authority. The Commissioner
 8 of the Department of Education shall distribute the remainder of the above \$5,000,000
 9 appropriation to coal-producing counties in a manner consistent with distributions to local
 10 school districts from the Kentucky Education Technology System; these funds shall be in
 11 addition to any regular distribution to coal-producing counties from the Kentucky
 12 Education Technology System.

13 **(4) Education Technology Program:** Included in the above General Fund
 14 appropriation is \$19,500,000 in each fiscal year for the Education Technology Program.

15 **3. LEARNING AND RESULTS SERVICES**

	2006-07	2007-08
16		
17 General Fund (Tobacco)	1,388,400	1,508,400
18 General Fund	791,940,900	839,939,300
19 Restricted Funds	2,621,200	2,621,200
20 Federal Funds	679,119,100	678,843,600
21 TOTAL	1,475,069,600	1,522,912,500

22 **(1) Funding for Employer Health and Life Insurance:** If the costs for health
 23 insurance or life insurance coverage for employees of local school districts exceed the
 24 levels of appropriated funds, any unexpended Support Education Excellence in Kentucky
 25 appropriations may be used to offset the unbudgeted costs. Any transfer shall be subject
 26 to approval of the Governor upon the written recommendation of the Secretary of the
 27 Finance and Administration Cabinet pursuant to the written request of the Commissioner

1 of Education. The per-month per-employee administrative assessment shall be remitted to
2 the Personnel Cabinet by the Department of Education from the General Fund
3 appropriation for local school district health and life insurance.

4 **(2) Kentucky School for the Blind and Kentucky School for the Deaf:**
5 Included in the above General Fund appropriation is \$6,441,400 in fiscal year 2006-2007
6 and \$6,657,100 in fiscal year 2007-2008 for the Kentucky School for the Blind, and
7 \$9,003,200 in fiscal year 2006-2007 and \$9,304,200 in fiscal year 2007-2008 for the
8 Kentucky School for the Deaf.

9 **(3) Kentucky Education Technology System:** (a) Area Vocational Education
10 Centers shall be fully eligible to participate in the Kentucky Education Technology
11 System. Notwithstanding KRS 157.660, the School Facilities Construction Commission,
12 in consultation with the Kentucky Board of Education and the Department of Education,
13 shall develop administrative regulations which identify a methodology by which the
14 average daily attendance for Area Vocational Education Centers may be equated to the
15 average daily attendance of other local school districts in order that they may receive their
16 respective distributions of these funds.

17 (b) The School for the Deaf and the School for the Blind shall be fully eligible,
18 along with local school districts, to participate in the Kentucky Education Technology
19 System in a manner that takes into account the special needs of the students of these two
20 schools.

21 **(4) Family Resource and Youth Services Centers:** Funds appropriated to
22 establish and support Family Resource and Youth Services Centers shall be transferred in
23 fiscal year 2006-2007 and in fiscal year 2007-2008 to the Cabinet for Health and Family
24 Services consistent with the intent of KRS 156.497. The Cabinet for Health and Family
25 Services is authorized to use, for administrative purposes, no more than three percent of
26 the total funds transferred from the Department of Education for the Family Resource and
27 Youth Services Centers. If a certified person is employed as a director or coordinator of a

1 Family Resource or Youth Services Center, that person shall retain his or her status as a
2 certified employee of the school district.

3 If 70 percent or more of the funding level provided by the state is utilized to support
4 the salary of the director of a center, that center shall provide a report to the Cabinet for
5 Health and Family Services identifying the salary of the director. The Cabinet for Health
6 and Family Services shall transmit any reports received from Family Resource and Youth
7 Services Centers pursuant to this provision to the Legislative Research Commission.

8 **(5) Health Insurance:** Included in the above General Fund appropriation is
9 \$465,808,000 in fiscal year 2006-2007 for employer contributions for health insurance
10 and the contribution to the flexible spending account for employees waiving coverage.
11 Included in the above General Fund appropriation is \$503,855,000 in fiscal year 2007-
12 2008 for employer contributions for health insurance and the contribution to the flexible
13 spending account for employees waiving coverage.

14 **(6) Learning and Results Services Programs:** Notwithstanding KRS 156.265,
15 included in the above General Fund appropriation are the following allocations for the
16 2006-2008 fiscal biennium:

- 17 (a) \$31,859,500 in each fiscal year for the Extended School Services Program;
- 18 (b) \$51,850,700 in each fiscal year for the Family Resource and Youth Services
19 Centers Program;
- 20 (c) \$75,127,000 in each fiscal year for the Preschool Program;
- 21 (d) \$15,034,700 in each fiscal year for the Professional Development Program;
- 22 (e) \$10,378,300 in each fiscal year for the Safe Schools Program;
- 23 (f) \$1,400,000 in fiscal year 2007-2008 for ACT and WorkKeys testing;
- 24 (g) \$21,700,100 in each fiscal year for the Textbooks Program;
- 25 (h) \$1,200,000 in fiscal year 2006-2007 and \$1,400,000 in fiscal year 2007-2008
26 for the Collaborative Center for Literacy Development;
- 27 (i) \$8,369,200 in each fiscal year for the Commonwealth Accountability Testing

- 1 System (CATS);
- 2 (j) \$616,500 in each fiscal year for the Blind/Deaf Residential Travel Program;
- 3 (k) \$2,100,000 in each fiscal year for the Community Education Program;
- 4 (l) \$720,900 in each fiscal year for the Dropout Prevention Program;
- 5 (m) \$20,558,100 in fiscal year 2006-2007 and \$23,558,100 in fiscal year 2007-
- 6 2008 for the Early Reading Incentive Grant/Read to Achieve Program;
- 7 (n) \$7,121,500 in each fiscal year for the Gifted and Talented Program;
- 8 (o) \$4,276,700 in each fiscal year for the School Food Services match;
- 9 (p) \$10,962,100 in each fiscal year for the State Agency Children Program;
- 10 (q) \$1,600,000 in each fiscal year for the Teacher Academies Program;
- 11 (r) \$1,886,700 in each fiscal year for the Teacher Recruitment and Retention
- 12 Program;
- 13 (s) \$800,000 in each fiscal year for the Virtual Learning Program;
- 14 (t) \$10,945,400 in fiscal year 2006-2007 and \$11,175,400 in fiscal year 2007-
- 15 2008 for the Locally Operated Vocational Schools;
- 16 (u) \$610,300 in each fiscal year for the Writing Program;
- 17 (v) \$500,000 in each fiscal year for the Every1 Reads Program;
- 18 (w) \$2,257,000 in fiscal year 2006-2007 and \$2,378,700 in fiscal year 2007-2008
- 19 for Local School District Life Insurance;
- 20 (x) \$484,400 in each fiscal year for the Elementary Arts and Humanities Program;
- 21 (y) \$3,000,000 in fiscal year 2006-2007 and \$6,900,000 in fiscal year 2007-2008
- 22 for the Mathematics Achievement Fund;
- 23 (z) \$387,500 in each fiscal year for the Middle School Academic Center;
- 24 (aa) \$381,500 in each fiscal year for the Leadership and Mentor Fund;
- 25 (ab) \$3,925,300 in each fiscal year for the Professional Growth Fund;
- 26 (ac) \$500,000 in each fiscal year for the Save the Children/Rural Literacy
- 27 Program;

(ad) The allocations referenced in subsection (5) of this budget unit for Local School District Health Insurance;

(ae) \$100,000 in each fiscal year for a specialized tutoring program for students with learning disabilities from Appalachian counties, as identified by the Appalachian Regional Commission. This program shall be located at a public institution of high education selected by the Commissioner of Education;

(af) \$430,000 in fiscal year 2007-2008 for the Partnership for Student Success Program;

(ag) \$5,624,000 in fiscal year 2006-2007 and \$5,649,800 in fiscal year 2007-2008 for the Highly Skilled Educator Program; and

(ah) \$1,504,100 in fiscal year 2006-2007 and \$1,507,900 in fiscal year 2007-2008 for the Commonwealth School Improvement Fund.

(7) Program Flexibility: Notwithstanding KRS 157.226(2) and (3), 157.3175(3) and (4), and 160.345(8) with regard to the state allocation, five programs (Professional Development, Extended School Services, Preschool, Textbooks, and Safe Schools) shall continue to permit the state and local school districts additional flexibility in the distribution of program funds while still addressing the governing statutes and serving the need and the intended student population.

(8) Local District Grant Fund Carry Forward: Notwithstanding KRS 45.229, up to ten percent of any non-SEEK state grant fund, other than any state grant fund for the Read to Achieve Program, appropriated to the Department of Education and disbursed to a local district that is unexpended during fiscal year 2006-2007 may be carried forward to fiscal year 2007-2008. Notwithstanding KRS 45.229, any state grant fund for the Read to Achieve Program in fiscal year 2006-2007 may be carried forward to fiscal year 2007-2008.

(9) Publishing Requirements: Notwithstanding KRS 158.6453(7), 160.463, and 424.220, public availability of the school district's complete annual financial statement

1 and the school report card shall be made by publishing the documents in the newspaper of
2 the largest general circulation in the county, electronically on the Internet, or by printed
3 copy at a prearranged site at the main branch of the public library within the school
4 district. If publication on the Internet or by printed copy at the public library is chosen, the
5 superintendent shall be directed to publish notification in the newspaper of the largest
6 circulation in the county as to the location where the document can be viewed by the
7 public. The notification shall include the address of the library or the electronic address of
8 the Web site on the Internet where the documents can be viewed.

9 **(10) Surplus Property:** Notwithstanding KRS 45A.045, 45.777, and 56.463, any
10 funds received by the Commonwealth from the disposal of any surplus property at the
11 Kentucky School for the Blind and the Kentucky School for the Deaf shall be deposited
12 in a restricted account and shall not be expended without appropriation authority granted
13 by the General Assembly.

14 **(11) Locally Operated Vocational Programs:** Notwithstanding KRS 157.069, the
15 supplemental funding distribution shall include Category II and III programs in districts
16 established after June 21, 2001, with state assistance if approved by the Commissioner of
17 Education.

18 **(12) Allocation of Safe School Funds:** Notwithstanding KRS 158.446, the Center
19 for School Safety shall develop and implement allotment policies for all moneys received
20 for the purposes of KRS 158.440, 158.441, 158.442, 158.445, and 158.446.

21 **(13) Coordination With Head Start:** Each local district shall work with Head
22 Start and other existing preschool programs to avoid duplication of services and
23 programs, to avoid supplanting federal funds, to maximize Head Start funds in order to
24 serve as many four year old children as possible, and shall maintain certification from the
25 Head Start director that the Head Start Program is fully utilized. If a local district fails to
26 comply with the requirements of this section, the Commissioner of the Department of
27 Education shall withhold preschool funding for an amount equal to the number of Head

1 Start eligible children served in the district who would have been eligible to be served by
2 Head Start under the full utilization certification required under this section. The
3 Commissioner of the Department of Education shall resolve any disputes and make a
4 determination of the district's compliance with the full utilization requirement.

5 **(14) Partnership for Student Success:** Included in the above General Fund
6 appropriation is \$430,000 in fiscal year 2007-2008 for the Partnership for Student
7 Success Program. These funds shall be expended to develop pilot programs to
8 demonstrate effective strategies to increase community and parental involvement in K-12
9 education by providing additional tools for educators to improve instruction and promote
10 student health and wellness.

11 **(15) Funds Transfer:** The Commissioner of the Department of Education may
12 transfer any available funds between the Professional Growth Fund and the Professional
13 Development Leadership Mentor Fund as needed to satisfy the demand and need to
14 support respective teacher programs.

15 **(16) School Calendar Evaluation:** The Kentucky Department of Education is
16 directed to conduct an evaluation of school calendars. The primary purpose of this
17 evaluation is to determine the impact of alternative school calendars, including the use of
18 extended time beyond the six-hour instructional day, shortened days or weeks, and year-
19 round calendars. The evaluation shall investigate the positive and negative effects on
20 students, including academic achievement, extracurricular activities, parental support, and
21 community acceptance. The evaluation shall review the impact on school district
22 operations and finances related to transportation, utilities, staffing, facilities, food service,
23 and other costs associated with operating efficiencies. A preliminary report shall be made
24 to the Interim Joint Committee on Education by November 15, 2006, and a final report,
25 including recommendations for regulatory or statutory changes, shall be made to the
26 Interim Joint Committee on Education by January 15, 2007.

27 **(17) Advisory Council for Gifted and Talented Education:** Notwithstanding

1 KRS 158.648(1), a member of the Advisory Council for Gifted and Talented Education
 2 may be reappointed but may not serve more than three consecutive terms. A member of
 3 the Kentucky Association for Gifted Education shall be a voting member of the Advisory
 4 Council for Gifted and Talented Education.

5 **(18) Highly Skilled Educators:** Notwithstanding KRS 158.6455(3), 158.782, and
 6 160.350(3), the Kentucky Department of Education shall have the authority to expend
 7 moneys appropriated for the Highly Skilled Education Assistance Program on
 8 intervention services that may be required by the Federal No Child Left Behind Act of
 9 2001 (Pub. L. 107-110).

10 **(19) Commonwealth School Improvement Fund:** Notwithstanding KRS
 11 158.805, the Commissioner of Education shall be authorized to use the Commonwealth
 12 School Improvement Fund to provide support services to schools needing assistance
 13 under KRS 158.6455 or in order to meet the requirements of No Child Left Behind.

14 **(20) Community Education:** Included in the above General Fund appropriation is
 15 \$300,000 in each fiscal year to support the establishment of 15 additional community
 16 education programs.

17 **4. SUPPORT EDUCATION EXCELLENCE IN KENTUCKY (SEEK)**
 18 **PROGRAM**

19		2006-07	2007-08
20	General Fund	2,680,910,200	2,930,340,800

21 **(1) Common School Fund Earnings:** Accumulated earnings for the Common
 22 School Fund shall be transferred in each fiscal year to the SEEK Program.

23 **(2) Base SEEK Allotments:** The above appropriation includes \$2,089,483,300 in
 24 fiscal year 2006-2007 and \$2,312,486,700 in fiscal year 2007-2008 for the base SEEK
 25 Program as defined by KRS 157.360. Funds appropriated to the SEEK Program shall be
 26 allotted to school districts in accordance with KRS 157.310 to 157.440, except that the
 27 total of the funds allotted shall not exceed the appropriations for this purpose except as

1 provided in this Act. Notwithstanding KRS 157.360(2)(c), included in the appropriation
2 for the base SEEK Program is \$211,953,500 in fiscal year 2006-2007 and \$214,752,800
3 in fiscal year 2007-2008 for pupil transportation.

4 **(3) Tier I Component:** Included in the above appropriation is \$157,620,900 in
5 fiscal year 2006-2007 and \$161,638,900 in fiscal year 2007-2008 for the Tier I
6 component as established by KRS 157.440.

7 **(4) Vocational Transportation:** Included in the above appropriation is
8 \$2,416,900 in fiscal year 2006-2007 and \$2,416,900 in fiscal year 2007-2008 for
9 vocational transportation.

10 **(5) Secondary Vocational Education:** Included in the above appropriation is
11 \$23,053,800 in fiscal year 2006-2007 and \$23,561,000 in fiscal year 2007-2008 to
12 provide secondary vocational education in state-operated vocational schools.

13 **(6) Teachers' Retirement System Employer Match:** Included in the above
14 appropriation is \$319,184,300 in fiscal year 2006-2007 and \$346,100,400 in fiscal year
15 2007-2008 to enable local school districts to provide the employer match for qualified
16 employees as provided for by KRS 161.550.

17 **(7) Salary Supplements for Nationally Certified Teachers:** Notwithstanding
18 KRS 157.395, included in the above appropriation is \$2,104,000 in fiscal year 2006-2007
19 and \$2,504,000 in fiscal year 2007-2008 for the purpose of providing salary supplements
20 for teachers attaining certification by the National Board for Professional Teaching
21 Standards.

22 **(8) Allocation of SEEK Funds:** Notwithstanding KRS 157.360(2)(c), the above
23 appropriation to the base SEEK Program is intended to provide a base guarantee of
24 \$3,508 per student in average daily attendance in fiscal year 2006-2007 and \$3,822 per
25 student in average daily attendance in fiscal year 2007-2008 as well as to meet the other
26 requirements of KRS 157.360.

27 Nothing in this Act shall be construed as prohibiting the contracting out of pupil

1 transportation services.

2 Funds appropriated to the SEEK Program shall be allotted to school districts in
3 accordance with KRS 157.310 to 157.440, except that the total of the funds allotted shall
4 not exceed the appropriations for this purpose except as provided in this Act. The total
5 appropriation for the SEEK Program shall be measured by, or construed as, estimates of
6 the state expenditures required by KRS 157.310 to 157.440. If the required expenditures
7 exceed these estimates, the Secretary of the Finance and Administration Cabinet, upon
8 the written request of the Commissioner of Education and with approval of the Governor,
9 may increase the appropriation by such amount as may be available and necessary to
10 meet, to the extent possible, the required expenditures under the cited sections of the
11 Kentucky Revised Statutes, but any increase of the total appropriation to the SEEK
12 Program is subject to Part III, General Provisions, of this Act, and the provisions of KRS
13 Chapter 48. If funds appropriated to the SEEK Program are insufficient to provide the
14 amount of money required under KRS 157.310 to 157.440, allotments to local school
15 districts may be reduced in accordance with KRS 157.430.

16 **(9) Local School District Certified and Classified Employee Pay Policy:**
17 Notwithstanding KRS 157.420, during fiscal year 2006-2007, local school districts shall
18 provide all certified staff a salary or compensation increase of not less than two percent
19 and, during fiscal year 2007-2008, local school districts shall provide all certified staff a
20 salary or compensation increase of not less than \$3,000. The salary increases in fiscal year
21 2006-2007 and fiscal year 2007-2008 for certified staff shall be in addition to the normal
22 rank and step increase attained by certified personnel employed by local school districts.
23 During fiscal year 2006-2007, local school districts shall provide all classified staff a
24 salary increase of two percent and, during fiscal year 2007-2008, local school districts
25 shall provide all classified staff a salary increase of five percent. In fiscal year 2007-2008,
26 no classified staff member shall receive a salary increase in excess of \$2,500. Classified
27 staff employed by a local board of education that work less than full-time shall receive a

1 pro rata share of the salary increase based on terms of their employment. The above
2 increase in fiscal year 2006-2007 and fiscal year 2007-2008 for classified staff shall be in
3 addition to a normal step increase or any increase that might result from assuming new
4 duties or obtaining additional qualifications.

5 **(10) Final SEEK Calculation:** Notwithstanding KRS 157.410, on or before
6 March 1 of each year, the chief state school officer shall determine the exact amount of
7 the public common school fund to which each district is entitled and the remainder of the
8 amount due each district for the year shall be distributed in equal installments beginning
9 the first month after completion of final calculation and for each successive month
10 thereafter.

11 **(11) SEEK Adjustment Factors:** Funds allocated for the SEEK base and its
12 adjustment factors that are not needed for the base or a particular adjustment factor may
13 be allocated to other adjustment factors, if funds for that adjustment factor are not
14 sufficient.

15 **(12) Facilities Support Program of Kentucky/Equalized Nickel Levies:**
16 Included in the above appropriation is \$67,749,200 in fiscal year 2006-2007 and
17 \$63,970,700 in fiscal year 2007-2008 to provide facilities equalization funding pursuant
18 to KRS 157.440 and 157.620. Included in the above appropriation is \$12,177,600 in
19 fiscal year 2006-2007 and \$11,134,200 in fiscal year 2007-2008 to provide facilities
20 equalization funding pursuant to KRS 157.440, 157.620, and 157.621(2) and (3) for local
21 school districts which have: (a) Levied the additional tax pursuant to KRS 157.621 for
22 debt service and new facilities as of January 1, 2006; (b) Levied the five cents under the
23 provisions of KRS 157.440; (c) Met the growth requirements in KRS 157.621(2) in fiscal
24 year 2005-2006; and (d) Levied an additional nickel tax pursuant to KRS 157.621 in
25 addition to (a) and (b) of this section by January 1, 2006.

26 **(13) Retroactive Equalized Facility Funding:** Included in the above
27 appropriation is \$2,302,500 in fiscal year 2006-2007 and \$2,076,400 in fiscal year 2007-

1 2008 to provide equalized facility funding to districts meeting the following eligibility
 2 requirements: A local board of education that levied a tax rate subject to recall in fiscal
 3 year during or prior to fiscal year 2003-2004 in addition to the five cents levied pursuant
 4 to KRS 157.440(1)(b) and that committed the receipts to debt service, new facilities, or
 5 major renovations of existing facilities shall be eligible for equalization funds from the
 6 state at 150 percent of the statewide average per pupil assessment. The equalization funds
 7 shall be used as provided in KRS 157.440(1)(b).

8 **(14) Equalized Facility Funding:** Included in the above General Fund
 9 appropriation is \$4,617,700 in fiscal year 2006-2007 and \$4,451,600 in fiscal year 2007-
 10 2008 to provide equalized facility funding to districts meeting the following eligibility
 11 requirements: (a) The board of education has levied at least a ten cent equivalent tax rate
 12 for building purposes or has debt service of at least a ten cent equivalent tax rate as of
 13 February 24, 2005; (b) The district has not received equalized growth facility funding as a
 14 result of 2005 Ky. Acts ch. 173, Part I, D. Department of Education, 4. Support Education
 15 Excellence in Kentucky (SEEK) Program; and (c) The district has received approval by
 16 the Commissioner of Education. Eligible districts shall receive equalization funds from
 17 the state at 150 percent of the statewide average per pupil assessment, and these funds
 18 shall be used as provided in KRS 157.440(1)(b).

19 **(15) School Employee Flexible Spending Account Funds Transfer:** Any funds
 20 remaining in flexible spending accounts of employees of local school districts for
 21 calendar year 2006 and calendar year 2007 shall be transferred to the credit of the General
 22 Fund.

23 **(16) Instructional Days:** Included in the above General Fund appropriation is
 24 \$32,600,000 to extend the school term in fiscal year 2007-2008 by an additional two
 25 instructional days. Notwithstanding KRS 158.070, the school term for fiscal year 2007-
 26 2008 shall include the equivalent of 177 instructional days and shall include no less than
 27 two additional six-hour instructional days in addition to the six-hour instructional days

1 included in the 2005-2006 school calendar as approved by the Department of Education.

2 Districts shall not be required to exceed 177 six-hour instructional days.

3 **(17) Facility Matching Grant:** Included in the above General Fund appropriation
4 is \$200,000 in fiscal year 2006-2007 for a matching grant to the Hardin County
5 Educational Foundation, Inc. for the completion of the John Hardin Performing Arts
6 Center.

7 **(18) Transportation Study:** The Legislative Research Commission is hereby
8 directed to study the current funding formula and the equitable disbursement of pupil
9 transportation funds. The study of pupil transportation funding shall include:

10 (a) An analysis of the current formula used to determine the level of reimbursed
11 funding for school districts, including its equity and adequacy, and recommendations for
12 improvement; and

13 (b) A comparison of the efficiencies used by school districts in the operation of their
14 transportation systems, including recommendations for efficiency requirements or
15 incentives.

16 The Legislative Research Commission shall contract with nongovernmental
17 consultants to conduct the study. The consultants shall have the full cooperation of the
18 Executive Branch and the Legislative Branch.

19 The consultants shall present a final report of their findings to the Interim Joint
20 Committee on Education and to the Interim Joint Committee on Appropriations and
21 Revenue no later than July 1, 2007.

22 Provisions of this section to the contrary notwithstanding, the Legislative Research
23 Commission shall have the authority to alternatively assign the issues identified herein to
24 an interim joint committee or subcommittee thereof, and to designate a study completion
25 date.

26 **TOTAL - DEPARTMENT OF EDUCATION**

27 **2006-07**

2007-08

1	General Fund (Tobacco)	1,388,400	1,508,400
2	General Fund	3,510,448,600	3,827,034,300
3	Restricted Funds	9,831,300	9,831,300
4	Federal Funds	687,646,900	687,371,400
5	TOTAL	4,209,315,200	4,525,745,400

6 E. EDUCATION CABINET

7 Budget Units

8 1. GENERAL ADMINISTRATION AND PROGRAM SUPPORT

9		2006-07	2007-08
10	General Fund	2,425,200	2,425,200
11	Restricted Funds	6,393,400	6,502,400
12	Federal Funds	190,000	190,000
13	TOTAL	9,008,600	9,117,600

14 (1) **East Kentucky Science Center:** Included in the above General Fund
 15 appropriation is \$225,200 in fiscal year 2006-2007 and \$225,200 in fiscal year 2007-2008
 16 for a grant to the East Kentucky Science Center.

17 2. DEAF AND HARD OF HEARING

18		2005-06	2006-07	2007-08
19	General Fund	-0-	920,400	933,000
20	Restricted Funds	5,000	590,000	590,000
21	TOTAL	5,000	1,510,400	1,523,000

22 (1) **Specialized Telecommunications Equipment:** Included in the above
 23 Restricted Funds appropriation is an additional \$100,000 in fiscal year 2006-2007 and
 24 \$100,000 in fiscal year 2007-2008 and General Fund moneys of \$100,000 in fiscal year
 25 2006-2007 and \$100,000 in fiscal year 2007-2008 to be used for operating the
 26 Telecommunication Access Program.

27 3. KENTUCKY EDUCATIONAL TELEVISION

1		2006-07	2007-08
2	General Fund	14,694,500	16,816,100
3	Restricted Funds	1,066,300	1,048,000
4	Federal Funds	700,000	700,000
5	TOTAL	16,460,800	18,564,100

6 **(1) Debt Service:** Included in the above General Fund appropriation is
7 \$1,907,000 in fiscal year 2007-2008 to provide debt service for new bonds as set forth in
8 Part II, Capital Projects Budget, of this Act.

9 **4. ENVIRONMENTAL EDUCATION COUNCIL**

10		2006-07	2007-08
11	Restricted Funds	192,800	194,400

12 **5. LIBRARIES AND ARCHIVES**

13 **a. Libraries and Archives**

14		2006-07	2007-08
15	General Fund	7,273,600	7,382,900
16	Restricted Funds	1,444,400	1,460,900
17	Federal Funds	1,964,500	1,986,100
18	TOTAL	10,682,500	10,829,900

19 **b. Direct Local Aid**

20		2006-07	2007-08
21	General Fund	7,031,400	7,306,400
22	Restricted Funds	9,000	9,000
23	Federal Funds	424,000	424,000
24	TOTAL	7,464,400	7,739,400

25 **(1) Per Capita Grants:** Included in the above General Fund appropriation is
26 \$4,000,000 in each fiscal year to award per capita grants in accordance with KRS
27 171.201. Notwithstanding KRS 171.201, the allotment of General Fund dollars

distributed to each local library district shall not be less than received in fiscal year 2005-2006.

TOTAL - DEPARTMENT FOR LIBRARIES AND ARCHIVES

	2006-07	2007-08
General Fund	14,305,000	14,689,300
Restricted Funds	1,453,400	1,469,900
Federal Funds	2,388,500	2,410,100
TOTAL	18,146,900	18,569,300

6. OFFICE FOR THE BLIND

	2006-07	2007-08
General Fund	1,335,300	1,343,200
Restricted Funds	1,955,300	1,955,300
Federal Funds	9,349,400	9,477,200
TOTAL	12,640,000	12,775,700

7. EMPLOYMENT AND TRAINING

	2006-07	2007-08
Restricted Funds	3,000,000	3,000,000
Federal Funds	672,218,400	672,371,200
TOTAL	675,218,400	675,371,200

(1) Unemployment Insurance Penalty and Interest Account: Notwithstanding KRS 341.835, \$3,000,000 from the Unemployment Insurance Penalty and Interest Account in the Unemployment Compensation Administration Fund may be used during each fiscal year by the Office of Employment and Training to operate employment, training, and unemployment insurance programs.

(2) Reed Act Distribution: In addition to supplementing the Unemployment Insurance Trust Fund, Federal Funds made available to Kentucky as a result of the Reed Act distribution under Section 903(d) of the Social Security Act, as amended, in the

amount of \$2,000,000 in fiscal year 2006-2007 and \$2,000,000 in fiscal year 2007-2008, are appropriated to the Office of Employment and Training for the administration of the unemployment compensation law and the public employment offices for costs allowable under the Unemployment Insurance and Wagner-Peyser programs.

8. CAREER AND TECHNICAL EDUCATION

	2006-07	2007-08
General Fund	30,090,200	29,894,500
Restricted Funds	20,165,400	20,220,400
Federal Funds	15,188,500	15,188,500
TOTAL	65,444,100	65,303,400

(1) Participation in the Education Technology Program by Area Vocational Education Centers: Area Vocational Education Centers shall be fully eligible to participate in the Kentucky Education Technology System. Notwithstanding KRS 157.650, 157.655, 157.660, and 157.665, the School Facilities Construction Commission, in consultation with the Kentucky Board of Education and the Department of Education, shall develop administrative regulations which identify a methodology by which the average daily attendance for Area Vocational Education Centers may be equated to the average daily attendance of other local school districts in order that they may receive their respective distributions of these funds. The School Facilities Construction Commission shall include Area Vocational Education Centers in any offers of assistance to local school districts for technology assistance during the 2006-2008 fiscal biennium.

(2) Area Technology Centers: Included in the above General Fund appropriation is \$1,002,300 in fiscal year 2006-2007 and \$584,500 in fiscal year 2007-2008 for program operations at Pulaski, Warren, and Butler County Area Technology Centers. Included in the above Restricted Funds appropriation is \$600,000 in each fiscal year from the Department of Education for support of the ongoing operational costs for Pulaski, Warren, and Butler County Area Technology Centers and state-operated technical

1 programs at Hancock and Kenton County schools. Notwithstanding KRS 45.229,
2 unexpended General Fund appropriations to the Career and Technical Education
3 Accessibility Fund for fiscal year 2005-2006, not to exceed \$142,000, shall not lapse and
4 shall carry forward to fiscal year 2006-2007 to be used for the purchase of welding,
5 carpentry, and automotive equipment for new vocational programs at the Pulaski,
6 Warren, and Butler County area technology centers. Included in the above General Fund
7 appropriation is \$85,000 in fiscal year 2006-2007 and \$50,200 in fiscal year 2007-2008
8 for operating and equipment at the Mayfield-Graves County Area Technology Center.

9 **(3) Transfer of State-Operated Secondary Vocational Education and**
10 **Technology Centers:** (a) Notwithstanding KRS 151B.035, 151B.040, 151B.045,
11 151B.050, 151B.055, 151B.070, or any other statute to the contrary, effective at the
12 beginning of fiscal year 2006-2007, a local board of education may submit a request to
13 the Executive Director of the Office of Career and Technical Education to assume
14 authority for the management and control of a state-operated secondary vocational
15 education and technology center. Upon agreement between the Executive Director of the
16 Office of Career and Technical Education and the local board of education for the transfer
17 of a state-operated secondary vocational education and technology center, all personnel,
18 equipment and supplies shall be transferred to the local board of education and shall only
19 be utilized for the operation of the locally operated vocational center. The transfer of
20 management and control of the secondary area vocational education and technology
21 center shall be considered a permanent transfer to the local district.

22 (b) A certified employee who is affected by a transfer to the local board of
23 education under this provision shall be granted a one year limited contract by the local
24 board of education and shall be employed on the local district salary schedule. A
25 classified employee shall be guaranteed employment equal to his or her present status for
26 at least one complete school term. A transferred employee shall be provided the benefits
27 of comparable employees in the district and shall be subject to all rules and policies of the

1 local board of education, including but not limited to disciplinary and personnel actions
2 that are the same as those that may be exercised by the district for any other employee in
3 the district during a contract period.

4 (c) A transferred employee who has accrued annual leave and compensatory time
5 shall be paid a lump sum for the accrued time at the effective date of the transfer by the
6 Office of Career and Technical Education. The employee shall be granted credit for
7 accrued sick leave up to the maximum allowed for transfers for teachers between school
8 districts. Sick leave credit shall be awarded to a classified employee based on the local
9 board policy. Any excess sick leave that a classified or certified employee has earned that
10 the district will not accept in the transfer may be requested to be held in escrow by the
11 appropriate state personnel system under KRS Chapter 18A or KRS Chapter 151B, and
12 the sick leave balance shall be restored to the employee if the employee returns to a state
13 government position.

14 (d) An employee who is to be transferred to a local board of education under
15 provisions of this section but who chooses not to accept a one year limited contract with
16 the board shall be separated from the state system and the employee's position shall be
17 abolished. Notwithstanding any other statute, the employee may apply for any state
18 position for which the employee is qualified but shall not be granted priority over other
19 applicants for a position because the employee's position was abolished due to a transfer
20 of the vocational education and technology center. An employee who refuses a contract
21 with the local board shall be provided a lump-sum payment for accrued annual leave and
22 compensatory time, and the employee's sick leave balance shall be placed in escrow by
23 the appropriate state personnel system under KRS Chapter 18A or KRS Chapter 151B.
24 The sick leave balance shall be restored to the employee if the employee returns to a state
25 government position.

26 (e) A certified employee, other than a principal, who has earned continuing status
27 in the state certified personnel system under KRS Chapter 151B may be granted tenure

under the provisions of KRS 161.740(1)(c). A principal may be granted tenure as a teacher, but the provisions relating to demotion of the principal under KRS 161.765 shall apply.

(f) An employee of the Office of Career and Technical Education who is transferred to the local school district and who occupies a position covered by the Kentucky Teachers' Retirement System shall remain in the Teachers' Retirement System.

(g) General Fund moneys previously appropriated to the Office of Career and Technical Education for support of the transferred state-operated vocational technical school shall be appropriated to the Kentucky Department of Education for support of the local board of education center operations effective at the beginning of fiscal year 2006-2007. In addition, the local board of education shall receive 100 percent of the Support Education Excellence in Kentucky (SEEK) Program funds from the Kentucky Department of Education that are generated from students enrolled in the center.

9. VOCATIONAL REHABILITATION

	2006-07	2007-08
General Fund	13,089,700	13,134,400
Restricted Funds	2,673,500	2,675,600
Federal Funds	46,642,000	46,491,200
TOTAL	62,405,200	62,301,200

10. EDUCATION PROFESSIONAL STANDARDS BOARD

	2006-07	2007-08
General Fund	10,328,800	10,328,800
Restricted Funds	1,416,800	1,449,500
Federal Funds	4,379,200	4,379,200
TOTAL	16,124,800	16,157,500

(1) National Board of Teaching Standards Certification: Notwithstanding KRS 161.134, up to \$800,000 in fiscal year 2006-2007 and \$800,000 in fiscal year 2007-

1 2008 is provided for National Board of Teaching Standards Certification from the
2 General Fund.

3 **(2) Employment of Leadership Personnel:** Notwithstanding KRS 18A.005 to
4 18A.200, the Education Professional Standards Board shall have the sole authority to
5 determine the employees of the Education Professional Standards Board staff who are
6 exempt from the classified service and to set their compensation comparable to the
7 competitive market.

8 **(3) Kentucky Teacher Internship Program:** Notwithstanding KRS 45.229, any
9 unexpended General Fund appropriation from fiscal year 2005-2006 and fiscal year 2006-
10 2007 shall not lapse and shall carry forward to be used to support operations of the
11 Kentucky Teacher Internship Program.

12 **TOTAL - EDUCATION CABINET**

13		2005-06	2006-07	2007-08
14	General Fund	-0-	87,189,100	89,564,500
15	Restricted Funds	5,000	38,906,900	39,105,500
16	Federal Funds	-0-	751,056,000	751,207,400
17	TOTAL	5,000	877,152,000	879,877,400

18 **F. ENVIRONMENTAL AND PUBLIC PROTECTION CABINET**

19 **Budget Units**

20 **1. GENERAL ADMINISTRATION AND PROGRAM SUPPORT**

21		2006-07	2007-08
22	General Fund	8,752,100	8,541,400
23	Restricted Funds	6,708,200	7,132,900
24	Federal Funds	1,531,900	1,612,700
25	TOTAL	16,992,200	17,287,000

26 **(1) Salary Range Increase for Engineering and Mine Inspector Positions:**
27 Notwithstanding any other provision of law, the Secretary of the Environmental and

Public Protection Cabinet may increase the salary range for authorized engineering and mine inspector positions within the Cabinet's air, waste, water, and mining programs as necessary to allow for employment and retention of staff sufficient to timely provide the permitting and compliance determinations under those programs. The salary range and caps may be exceeded only upon a finding by the Secretary that the increases are necessary and the presentation of the new salary range and the justification for that new range to the Interim Joint Committee on Appropriations and Revenue.

2. ENVIRONMENTAL PROTECTION

	2005-06	2006-07	2007-08
General Fund	21,000	25,611,800	26,118,000
Restricted Funds	-0-	40,294,200	35,159,600
Federal Funds	-0-	19,047,400	19,237,600
Road Fund	-0-	300,000	300,000
TOTAL	21,000	85,253,400	80,815,200

(1) Water Discharge Permitting Program: Notwithstanding KRS 224.20-730, \$233,926 in Restricted Funds shall be transferred in fiscal year 2006-2007 from the Division of Air Quality to the Division of Water to be used for activities relating to the Clean Water Act, Water Quality Standards and Discharge Permitting.

(2) Municipal Solid Waste Landfill Inspectors: Notwithstanding KRS 224.43-320, no funds are provided in the above appropriations for the assignment of full-time inspectors to each municipal solid waste landfill operating in the Commonwealth.

(3) Kentucky Pride Program: Included in the above Restricted Funds appropriation is \$18,339,300 in fiscal year 2006-2007 and \$13,705,400 in fiscal year 2007-2008 for the Kentucky Pride Program.

(4) Solid Waste Enforcement Activity: In accordance with KRS 224.43-505, the Environmental and Public Protection Cabinet shall suspend until July 1, 2008, enforcement activity regarding landfill closure, maintenance, monitoring, and remediation

obligations against formerly permitted municipal solid waste disposal and water facilities owned by a city or county that ceases accepting waste prior to July 1, 1992, except as necessary to abate an environmental emergency.

(5) 404 Permitting Program: Included in the above Road Fund appropriation is \$300,000 in each year of the biennium for the U.S. Clean Water Act section for the 404 Permitting Program in the Environmental and Public Protection Cabinet's Division of Water to facilitate highway construction projects.

3. NATURAL RESOURCES

	2006-07	2007-08
General Fund (Tobacco)	9,000,000	9,000,000
General Fund	14,895,300	14,895,700
Restricted Funds	5,704,300	5,886,500
Federal Funds	9,134,100	9,129,400
TOTAL	38,733,700	38,911,600

(1) Emergency Forest Fire Suppression: Not less than \$240,000 of the above General Fund appropriation for each fiscal year shall be set aside for emergency forest fire suppression. There is appropriated from the General Fund the necessary funds, subject to the conditions and procedures provided in this Act, which are required as a result of emergency fire suppression activities in excess of \$240,000. Fire suppression costs in excess of \$240,000 annually shall be deemed necessary government expenses and shall be paid from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705).

(2) Environmental Stewardship Program: Included in the above General Fund (Tobacco) appropriation is \$9,000,000 in fiscal year 2006-2007 and \$9,000,000 in fiscal year 2007-2008 for the Environmental Stewardship Program.

(3) Maxey Flats Deep Well Monitoring Project: Notwithstanding KRS 149.280(2) and 149.670, in fiscal year 2006-2007 the Division of Forestry shall transfer

1 \$500,000 to the Department of Environmental Protection, Division of Maxey Flats for the
2 Deep Well Monitoring System capital project.

3 **4. MINE RECLAMATION AND ENFORCEMENT**

4		2006-07	2007-08
5	General Fund	10,651,900	10,828,200
6	Restricted Funds	3,927,900	3,606,000
7	Federal Funds	18,314,400	18,871,500
8	TOTAL	32,894,200	33,305,700

9 **(1) Return of Permit and Acreage Fees:** Included in the above General Fund
10 appropriation is \$675,000 in each fiscal year for the return of permit and acreage fees
11 under KRS 350.139. Any required expenditure for this purpose in excess of this amount
12 in either fiscal year is appropriated to the department.

13 **(2) Surface Coal Mining Permits:** The permit block provisions of KRS
14 350.085(6) shall apply both to surface coal mining and reclamation operations owned or
15 controlled by the applicant, and those operations owning or controlling the applicant. The
16 Environmental and Public Protection Cabinet shall continue in effect the current state
17 administrative regulations regarding ownership and control provided that a due process
18 hearing shall be afforded at the time the Cabinet makes a preliminary determination to
19 impose a permit block.

20 The Cabinet shall conditionally issue a permit, permit renewal, or authorization to
21 conduct surface coal mining and reclamation operations, if the Cabinet finds that a direct
22 administrative or judicial appeal is presently being pursued, in good faith, to contest the
23 validity of the determination of ownership and control linkage. The Cabinet shall
24 conditionally issue permits where the applicant submits proof, including a settlement
25 agreement, that the violation is being abated to the satisfaction of the issuing state or
26 federal agency. If the initial judicial appeal affirms the ownership or control linkage, the
27 applicant shall have 30 days to submit proof that the violation has been or is in the

1 process of being corrected. Nothing in this section shall preclude the applicant from
 2 seeking further judicial relief. The reporting requirements of KRS 350.060(3) shall not
 3 extend to persons at the level above a publicly traded corporation who own or control the
 4 applicant.

5 The Cabinet shall continue in force the current administrative regulations regarding
 6 ownership and control, in a manner consistent with this section, until the Ownership and
 7 Control Settlement Rule is finalized, at which time the state program administrative
 8 regulations shall be revised to maintain consistency with the federal requirements and
 9 shall be submitted as a state program amendment for approval by the federal Office of
 10 Surface Mining Reclamation and Enforcement.

11 **5. ABANDONED MINE LAND RECLAMATION PROJECTS**

12		2006-07	2007-08
13	Federal Funds	22,000,000	22,000,000

14 **(1) Fund Receipt and Expenditures Estimates:** The above appropriation
 15 represents estimates of the funds to be received and expended for this program. If
 16 additional funds become available, the funds are appropriated subject to the conditions
 17 and procedures provided in this Act.

18 **6. ENVIRONMENTAL QUALITY COMMISSION**

19		2006-07	2007-08
20	Restricted Funds	266,600	263,800

21 **7. KENTUCKY NATURE PRESERVES COMMISSION**

22		2006-07	2007-08
23	General Fund	1,166,500	1,166,500
24	Restricted Funds	378,900	402,800
25	Federal Funds	55,000	55,000
26	TOTAL	1,600,400	1,624,300

27 **8. PUBLIC PROTECTION COMMISSIONER**

1		2006-07	2007-08
2	Restricted Funds	1,188,700	1,193,400

3 **9. BOXING AND WRESTLING AUTHORITY**

4		2006-07	2007-08
5	Restricted Funds	100,000	100,000

6 **10. PETROLEUM STORAGE TANK ENVIRONMENTAL ASSURANCE FUND**

7		2006-07	2007-08
8	General Fund	-0-	3,479,000
9	Restricted Funds	29,164,500	29,277,700
10	TOTAL	29,164,500	32,756,700

11 **(1) Debt Service:** Included in the above General Fund appropriation in fiscal year
12 2007-2008 is \$3,479,000 for debt service for new bonds as set forth in Part II, Capital
13 Projects Budget, of this Act. Included in the above Restricted Funds appropriation in
14 fiscal year 2006-2007 is \$25,000,000 for underground storage tank fund payments from
15 new bonds as set forth in Part II, Capital Projects Budget, of this Act.

16 **(2) Financial Responsibility Account:** Any Restricted Funds receipts generated
17 by the Petroleum Storage Tank Assurance Fund in fiscal year 2006-2007 in excess of the
18 amounts appropriated above shall be allocated to the Financial Responsibility Account to
19 help ensure that the agency meets its reserve balance requirements in fiscal year 2007-
20 2008.

21 **11. ALCOHOLIC BEVERAGE CONTROL**

22		2006-07	2007-08
23	General Fund	1,441,400	1,058,600
24	Restricted Funds	3,577,800	4,131,600
25	TOTAL	5,019,200	5,190,200

26 **(1) Sale and Distribution of Tobacco Products Enforcement:** Included in the
27 above General Fund appropriation is \$250,000 in fiscal year 2006-2007 and \$250,000 in

1 fiscal year 2007-2008 to carry out the provisions of KRS 438.337.

2 **12. CHARITABLE GAMING**

3		2006-07	2007-08
4	Restricted Funds	3,299,600	3,343,200

5 **13. BOARD OF CLAIMS/CRIME VICTIMS' COMPENSATION BOARD**

6		2006-07	2007-08
7	General Fund	848,000	848,000
8	Restricted Funds	2,119,200	1,997,400
9	Federal Funds	540,100	540,100
10	TOTAL	3,507,300	3,385,500

11 **(1) Sexual Assault Examinations:** Notwithstanding KRS 216B.400(8),
 12 examinations for reported victims of sexual assault shall be paid by the Crime Victims'
 13 Compensation Board in a manner consistent with KRS Chapter 346, at a rate determined
 14 by the Board. The Board shall reimburse the hospital or sexual assault examination
 15 facility as provided in administrative regulations promulgated by the Board.

16 **14. FINANCIAL INSTITUTIONS**

17		2006-07	2007-08
18	Restricted Funds	9,223,800	9,342,200

19 **15. HORSE RACING AUTHORITY**

20		2006-07	2007-08
21	General Fund	1,709,700	509,700
22	Restricted Funds	27,934,800	27,778,100
23	TOTAL	29,644,500	28,287,800

24 **(1) Prohibition of Racing Dates Fee and Assessments:** The Horse Racing
 25 Authority is prohibited from imposing a fee or assessment on thoroughbred and
 26 standardbred race tracks, based on the number of racing dates allotted to each track.

27 **(2) Management and Financial Audit:** A management and financial audit shall

1 be conducted by the Auditor of Public Accounts and shall be completed by December 31,
 2 2006. A report shall be provided to the Interim Joint Committee on Licensing and
 3 Occupations and the racing associations licensed pursuant to KRS Chapter 230.

4 **16. HOUSING, BUILDINGS AND CONSTRUCTION**

5		2006-07	2007-08
6	General Fund	2,524,200	2,524,200
7	Restricted Funds	15,867,900	16,158,900
8	TOTAL	18,392,100	18,683,100

9 **17. INSURANCE**

10		2006-07	2007-08
11	General Fund (Tobacco)	13,692,700	14,496,000
12	General Fund	6,500,000	13,500,000
13	Restricted Funds	22,110,700	22,318,000
14	TOTAL	42,303,400	50,314,000

15 **(1) Additional Personnel:** Included in the above Restricted Funds appropriation
 16 is \$66,900 in fiscal year 2006-2007 and \$67,800 in fiscal year 2007-2008 to fill one
 17 position in the Captive Insurance Program.

18 **(2) Tobacco Settlement Funds:** Included in the above General Fund (Tobacco)
 19 appropriation is \$13,692,700 in fiscal year 2006-2007 and \$14,496,000 in fiscal year
 20 2007-2008 for the Kentucky Access Program.

21 **(3) Kentucky Access:** Notwithstanding KRS 304.17B-021, during the 2006-2008
 22 biennium, the Secretary of the Environmental and Public Protection Cabinet may seek
 23 authorization from the State Budget Director to reallocate excess unbudgeted operating
 24 funds generated by the Office of Insurance to Kentucky Access. Any such funding
 25 reallocations that are approved by the State Budget Director shall be reported to the
 26 Interim Joint Committee on Appropriations and Revenue consistent with the provisions
 27 of this Act.

(4) Small Business Health Insurance: Included in the above General Fund appropriation is \$6,500,000 in fiscal year 2006-2007 and \$13,500,000 in fiscal year 2007-2008 to fund the Small Business Health Insurance Subsidy Program.

18. MINE SAFETY REVIEW COMMISSION

	2006-07	2007-08
General Fund	200,700	202,400

19. MINE SAFETY AND LICENSING

	2006-07	2007-08
General Fund	9,522,600	9,522,600
Restricted Funds	1,437,200	1,635,900
Federal Funds	581,100	581,100
TOTAL	11,540,900	11,739,600

(1) Coal Workers' Pneumoconiosis Fund: Included in the above Restricted Funds appropriation is \$952,000 in fiscal year 2006-2007 and \$952,000 in fiscal year 2007-2008 to support compliance, education, and training programs from the Coal Workers' Pneumoconiosis Fund.

(2) Necessary Mine Inspection Funding: To adequately fund mine inspection salaries beyond the personnel appropriation during the biennium, up to \$750,000 in each fiscal year shall be deemed a necessary government expense and transferred from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705). These funds shall be transferred only upon certification of need by the Secretary of the Environmental and Public Protection Cabinet to the Secretary of the Finance and Administration Cabinet.

20. PUBLIC SERVICE COMMISSION

	2006-07	2007-08
General Fund	12,624,800	13,006,000
Restricted Funds	850,000	850,000

1	Federal Funds	216,000	218,300
2	TOTAL	13,690,800	14,074,300

3 **(1) Debt Service:** Included in the above General Fund appropriation is \$589,000
 4 in fiscal year 2006-2007 and \$589,000 in fiscal year 2007-2008 for debt service for
 5 previously issued bonds.

6 **(2) Lapse of General Fund Appropriation Balance:** Notwithstanding KRS
 7 278.150(3), \$5,273,000 in fiscal year 2005-2006 shall lapse to the credit of the General
 8 Fund. Notwithstanding KRS 278.150(3), \$1,000,000 in fiscal year 2006-2007 and
 9 \$1,000,000 in fiscal year 2007-2008 shall lapse to the credit of the General Fund.

10 **(3) Water Districts and Water Associations:** A water district created pursuant
 11 to KRS Chapter 74 and a water association created pursuant to KRS Chapter 273 that
 12 undertakes a waterline extension or improvement project shall not be required to obtain a
 13 certificate of public convenience and necessity pursuant to KRS 278.020(1) if the water
 14 district or water association is a Class A or B utility as defined in the Uniform System of
 15 Accounts established by the Public Service Commission, pursuant to KRS 278.220, as the
 16 system of accounts prescribed for utilities in Kentucky, and either: (a) The water line
 17 extension or improvement project will not cost in excess of \$500,000; or (b) The water
 18 district or water association will not, as a result of the water line extension or
 19 improvement project, incur obligations requiring Public Service Commission approval
 20 pursuant to KRS 278.300. In either case, the water district or water association shall not,
 21 as a result of the water line extension or improvement project, increase rates to its
 22 customers.

23 **(4) Kentucky Broadband Task Force Report:** The Kentucky Broadband Task
 24 Force shall examine the deployment of broadband, as defined in KRS 278.5461, in the
 25 Commonwealth and provide to the Legislative Research Commission and to the
 26 Governor a final report to be submitted no later than November 15, 2006.

27 **(5) Telecommunication Access Program:** Notwithstanding KRS 278.5499, the

funding mechanism for the telecommunication device for the deaf distribution program shall allocate not more than two cents per access line per month.

21. TAX APPEALS

	2006-07	2007-08
General Fund	471,400	465,400

22. LABOR

	2006-07	2007-08
General Fund	2,453,400	2,456,800
Restricted Funds	116,986,200	117,654,300
Federal Funds	3,343,800	3,329,800
TOTAL	122,783,400	123,440,900

23. OCCUPATIONAL SAFETY AND HEALTH REVIEW COMMISSION

	2006-07	2007-08
Restricted Funds	500,600	510,900

24. WORKERS' COMPENSATION BOARD

	2006-07	2007-08
Restricted Funds	937,900	949,500

25. WORKERS' COMPENSATION FUNDING COMMISSION

	2006-07	2007-08
Restricted Funds	137,298,200	135,181,600

(1) Commission Funding: Notwithstanding KRS 342.122(1)(c), no General Fund appropriation is provided to the Kentucky Workers' Compensation Funding Commission in fiscal year 2006-2007 and fiscal year 2007-2008.

(2) Mine Safety Funding: Notwithstanding KRS 342.122(1)(a), \$952,000 in each year of the biennium from the Coal Workers' Pneumoconiosis Fund shall support mine safety compliance, education, and training in the Office of Mine Safety and Licensing in the Department of Public Protection.

1 TOTAL - ENVIRONMENTAL AND PUBLIC PROTECTION CABINET

	2005-06	2006-07	2007-08
General Fund (Tobacco)	-0-	22,692,700	23,496,000
General Fund	21,000	99,373,800	109,122,500
Restricted Funds	-0-	429,877,200	424,874,300
Federal Funds	-0-	74,763,800	75,575,500
Road Fund	-0-	300,000	300,000
TOTAL	21,000	627,007,500	633,368,300

9 G. FINANCE AND ADMINISTRATION CABINET**10 Budget Units****11 1. GENERAL ADMINISTRATION**

	2006-07	2007-08
General Fund	10,281,500	10,442,600
Restricted Funds	34,891,600	34,756,000
Road Fund	400,000	400,000
TOTAL	45,573,100	45,598,600

(1) Affordable Housing Trust Fund: Included in the above Restricted Funds appropriation is \$4,300,000 in fiscal year 2006-2007 and \$4,300,000 in fiscal year 2007-2008 for the Affordable Housing Trust Fund. The Kentucky Housing Corporation shall provide from the Kentucky Housing Corporation Housing Assistance Fund to the Affordable Housing Trust Fund \$500,000 in fiscal year 2006-2007 and \$500,000 in fiscal year 2007-2008.

(2) Trooper Island, Inc.: The Kentucky Housing Corporation shall provide from the Kentucky Housing Corporation Housing Assistance Fund to Trooper Island, Inc., \$250,000 in fiscal year 2006-2007 and \$250,000 in fiscal year 2007-2008.

(3) Gubernatorial Transition: Funds that are necessary to meet the Commonwealth's obligations for gubernatorial transition, up to but not to exceed

1 \$220,000 in fiscal year 2007-2008, shall be deemed a necessary government expense, and
 2 shall be paid from the General Fund Surplus Account (KRS 48.700) or the Budget
 3 Reserve Trust Fund Account (KRS 48.705).

4 **2. CONTROLLER**

	2006-07	2007-08
6 General Fund	10,954,300	10,954,300
7 Restricted Funds	2,052,700	2,052,900
8 Federal Funds	1,000,000	1,000,000
9 TOTAL	14,007,000	14,007,200

10 **(1) Social Security Contingent Liability Fund:** Any expenditures that may be
 11 required by KRS 61.470 are hereby deemed necessary government expenses and shall be
 12 paid first from the General Fund Surplus Account (KRS 48.700), if available, or from any
 13 available balance in either the Judgments budget unit appropriation or the Budget Reserve
 14 Trust Fund Account (KRS 48.705), subject to the conditions and procedures provided in
 15 this Act.

16 **3. DEBT SERVICE**

	2006-07	2007-08
18 General Fund (Tobacco)	17,842,700	17,847,400
19 General Fund	328,147,100	327,397,800
20 TOTAL	345,989,800	345,245,200

21 **(1) New Debt Service:** Included in the above General Fund appropriation is
 22 \$3,492,000 in fiscal year 2006-2007 and \$11,137,000 in fiscal year 2007-2008 to support
 23 new bonds as set forth in Part II, Capital Projects Budget, of this Act for appropriation
 24 units within the Finance and Administration Cabinet.

25 **(2) Tobacco Settlement Funds - Debt Service:** To the extent that revenues
 26 sufficient to support the required debt service appropriations are received from the
 27 Tobacco Settlement Program, those revenues shall be made available from those accounts

to the appropriate account of the General Fund. All necessary debt service amounts shall be appropriated from the General Fund and shall be fully paid regardless of whether there is a sufficient amount available to be transferred from tobacco-supported funding program accounts to other accounts of the General Fund.

4. FACILITIES AND SUPPORT SERVICES

	2006-07	2007-08
General Fund	7,518,200	7,526,800
Restricted Funds	29,908,400	30,360,400
TOTAL	37,426,600	37,887,200

(1) Capital Construction Contingency Fund: If funds in the Capital Construction Contingency Fund are not sufficient, then expenditures of the fund are to be paid first from the General Fund Surplus Account (KRS 48.700), if available, or from the Budget Reserve Trust Fund Account (KRS 48.705), subject to the conditions and procedures provided in this Act.

(2) Emergency Repair, Maintenance, and Replacement Fund: If funds in the Emergency Repair, Maintenance, and Replacement Fund are not sufficient, then expenditures of the fund are to be paid first from the General Fund Surplus Account (KRS 48.700), if available, or from the Budget Reserve Trust Fund Account (KRS 48.705), subject to the conditions and procedures provided in this Act.

5. COUNTY COSTS

	2006-07	2007-08
General Fund	19,181,500	20,481,500
Restricted Funds	1,950,000	1,950,000
TOTAL	21,131,500	22,431,500

(1) County Costs: Funds required to pay county costs are appropriated and additional funds may be allotted from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705) by the Secretary of the Finance

1 and Administration Cabinet, subject to the conditions and procedures provided in this
2 Act.

3 **6. COMMONWEALTH OFFICE OF TECHNOLOGY**

	2006-07	2007-08
4		
5 Restricted Funds	61,168,500	62,962,400
6 Federal Funds	863,100	775,000
7 TOTAL	62,031,600	63,737,400

8 **(1) Reporting Requirements:** The Commonwealth Office of Technology shall
9 report semiannually to the Interim Joint Committee on Appropriations and Revenue the
10 number of sole-source contracts, amounts awarded for sole-source contracts, and the
11 purposes of the sole-source contracts; and the number of contract employees, the amount
12 expended for contract employees, the projects contract employees worked on, and a
13 justification why state merit employees were not used.

14 **7. REVENUE**

	2006-07	2007-08
15		
16 General Fund (Tobacco)	175,000	175,000
17 General Fund	71,880,000	73,234,300
18 Restricted Funds	4,381,500	4,378,600
19 Road Fund	2,000,000	2,000,000
20 TOTAL	78,436,500	79,787,900

21 **(1) Insurance Surcharge Rate:** Pursuant to KRS 136.392, the insurance
22 surcharge rate shall be calculated at a rate to provide sufficient funds in the 2006-2008
23 fiscal biennium for the Firefighters Foundation Program Fund and the Kentucky Law
24 Enforcement Foundation Program Fund. The calculation of sufficient funds for the
25 above-named programs shall include any Restricted Funds carried forward from fiscal
26 years 2005-2006 and 2006-2007 provided by the General Assembly in this Act.

27 **(2) Road Fund Compliance and Motor Vehicle Property Tax Programs:** The

1 above Road Fund appropriation in each fiscal year represents the cost of the Road Fund
 2 Compliance and Motor Vehicle Property Tax Programs within the Department of
 3 Revenue and is to be used exclusively for that purpose.

4 **(3) Operations of Revenue:** Notwithstanding KRS 132.672 and 365.390(2),
 5 funds may be expended in support of the operations of the Department of Revenue.

6 **(4) Debt Collection Fee Distribution:** Notwithstanding KRS 45.238(3),
 7 45.240(3) and 45.241(7)(b), the Secretary of the Finance and Administration Cabinet may
 8 determine, on an equitable basis, that all or a portion of any debt or improper payment
 9 recovered by the Department of Revenue pursuant to the provisions of KRS 45.237,
 10 45.238 and 45.241 may be returned to the agency certifying the debt or improper payment
 11 or to the Court of Justice for allocation as otherwise provided by law.

12 The Department of Revenue may promulgate an administrative regulation pursuant
 13 to KRS Chapter 13A to establish criteria to administer the provisions of this section.

14 **8. PROPERTY VALUATION ADMINISTRATORS**

	2006-07	2007-08
15 General Fund	32,769,300	33,399,300
16 Restricted Funds	4,319,400	4,319,400
17 TOTAL	37,088,700	37,718,700

18 **(1) Management of Expenditures:** Notwithstanding KRS 132.590 and 132.597,
 19 the property valuation administrators are authorized to take necessary actions to manage
 20 expenditures within the appropriated amounts contained in this Act.

22 **TOTAL - FINANCE AND ADMINISTRATION CABINET**

	2006-07	2007-08
23 General Fund (Tobacco)	18,017,700	18,022,400
24 General Fund	480,731,900	483,436,600
25 Restricted Funds	138,672,100	140,779,700
26 Federal Funds	1,863,100	1,775,000

1	Road Fund	2,400,000	2,400,000
2	TOTAL	641,684,800	646,413,700

3 H. CABINET FOR HEALTH AND FAMILY SERVICES

4 Budget Units

5 1. GENERAL ADMINISTRATION AND PROGRAM SUPPORT

6		2005-06	2006-07	2007-08
7	General Fund	-0-	35,015,700	34,600,000
8	Restricted Funds	450,000	11,405,400	11,417,500
9	Federal Funds	-0-	43,040,700	42,408,400
10	TOTAL	450,000	89,461,800	88,425,900

11 (1) **Maximizing Federal Funds:** Pursuant to compliance with the
 12 State/Executive Branch Budget Bill and the Statutory Budget Memorandum, the Cabinet
 13 for Health and Family Services shall maximize Federal Funds for programs within the
 14 Cabinet.

15 (2) **Human Services Transportation Delivery:** Notwithstanding KRS 281.014,
 16 the Kentucky Works Program shall not participate in the Human Services Transportation
 17 Delivery Program or the Coordinated Transportation Advisory Committee.

18 (3) **Debt Service:** Included in the above General Fund appropriation is \$220,000
 19 in fiscal year 2007-2008 for debt service for new bonds as set forth in Part II, Capital
 20 Projects Budget, of this Act.

21 (4) **Federally Funded Positions:** Notwithstanding KRS 18A.010(2) and any
 22 provisions of this Act to the contrary, direct service units of the Office of Inspector
 23 General, Department for Human Support Services, Commission for Children with Special
 24 Health Care Needs, Department for Disability Determination Services, Department for
 25 Community Based Services, Department for Medicaid Services, Department for Mental
 26 Health/Mental Retardation Services, and the Department for Public Health shall be
 27 authorized to establish and fill such positions as are 100 percent federally funded for

1 salary and fringe benefits.

2 **2. COMMISSION FOR CHILDREN WITH SPECIAL HEALTH CARE NEEDS**

3		2006-07	2007-08
4	General Fund (Tobacco)	312,100	352,000
5	General Fund	5,835,400	5,917,000
6	Restricted Funds	6,696,100	6,773,400
7	Federal Funds	4,379,000	4,379,000
8	TOTAL	17,222,600	17,421,400

9 **(1) Tobacco Settlement Funds:** Included in the above General Fund (Tobacco)
 10 appropriation is \$310,100 in fiscal year 2006-2007 and \$350,000 in fiscal year 2007-2008
 11 for Universal Newborn Hearing Screening and \$2,000 in each fiscal year for Vision
 12 Screening.

13 **3. MEDICAID SERVICES**

14 **a. Medicaid Administration**

15		2005-06	2006-07	2007-08
16	General Fund	17,198,900	37,882,400	36,441,700
17	Restricted Funds	-0-	14,075,000	13,080,000
18	Federal Funds	24,271,000	56,945,500	46,579,400
19	TOTAL	41,469,900	108,902,900	96,101,100

20 **(1) Transfer of Excess Administrative Funds for Medicaid Benefits:** If any
 21 portion of the above General Fund appropriation in either fiscal year is deemed to be in
 22 excess of the necessary expenses for administration of the Department, the amount may
 23 be used for Medicaid Benefits, in accordance with statutes governing the functions and
 24 activities of the Department for Medicaid Services. In no instance shall these excess
 25 funds be used without prior written approval of the State Budget Director to:

- 26 (a) Establish a new program;
- 27 (b) Expand the services of an existing program; or

1 (c) Increase rates or payment levels in an existing program.

2 Any transfer authorized under this section shall be approved by the Secretary of the
3 Finance and Administration Cabinet upon recommendation of the State Budget Director.

4 **(2) Medicaid Service Category Expenditure Information:** No Medicaid
5 managed care contract shall be valid, and no payment to a Medicaid managed care vendor
6 by the Finance and Administration Cabinet or the Cabinet for Health and Family Services
7 shall be made, unless the Medicaid managed care contract contains a provision that the
8 contractor shall collect Medicaid expenditure data by the categories of services paid for
9 by the Medicaid Program. Actual statewide Medicaid expenditure data by all categories
10 of Medicaid services, including mandated and optional Medicaid services, special
11 expenditures/offsets, and Disproportionate Share Hospital payments by type of hospital,
12 shall be compiled by the Department for Medicaid Services for all Medicaid providers
13 and forwarded to the Interim Joint Committee on Appropriations and Revenue on a
14 quarterly basis. Projections of Medicaid expenditures by categories of Medicaid services
15 shall be provided to the Interim Joint Committee on Appropriations and Revenue upon
16 request.

17 **(3) Medicaid Eligibility Determination Contract Funding:** Included in the
18 above General Fund and Restricted Funds appropriations are the total state matching
19 funds required to fully fund the Medicaid Eligibility Determination contract in each year
20 of the fiscal biennium between the Department for Medicaid Services and Department for
21 Community Based Services.

22 **b. Medicaid Benefits**

23		2005-06	2006-07	2007-08
24	General Fund	68,101,100	1,001,577,900	1,041,097,000
25	Restricted Funds	5,021,900	383,400,500	388,805,100
26	Federal Funds	215,142,900	3,100,931,200	3,212,280,900
27	TOTAL	288,265,900	4,485,909,600	4,642,183,000

1 **(1) Supports for Community Living Slots:** Included in the above appropriation
 2 is \$1,856,300 in General Fund moneys and \$4,331,200 in Federal Funds in fiscal year
 3 2006-2007 to support 100 additional Supports for Community Living slots and
 4 \$6,393,800 in General Fund moneys and \$14,918,700 in Federal Funds in fiscal year
 5 2007-2008 to support 100 additional Supports for Community Living slots for a total of
 6 200 additional slots.

7 Supports for Community Living Waiver funds shall be utilized only for direct
 8 services to qualified Supports for Community Living Waiver recipients, and any
 9 unexpended funds shall not lapse but shall be carried forward to the next fiscal year for
 10 the same purpose.

11 **(2) Carry Forward of General Fund Appropriation Balance:** Notwithstanding
 12 KRS 45.229, any General Fund appropriation unexpended in fiscal year 2006-2007 shall
 13 not lapse, but shall be carried forward into the next fiscal year.

14 **(3) Disproportionate Share Hospital Program:** Hospitals shall report indigent
 15 inpatient and outpatient care for which, under federal law, the hospital is eligible to
 16 receive disproportionate share payments. Disproportionate Share Hospital payments shall
 17 equal the maximum amounts established by federal law.

18 **(4) Hospital Indigent Patient Billing:** Hospitals shall not bill patients for
 19 services where the services have been reported to the Cabinet and the hospital has
 20 received disproportionate share payments for the specific services.

21 **(5) Provider Tax Information:** Any provider who posts a sign or includes
 22 information on customer receipts or any material distributed for public consumption
 23 indicating that it has paid provider tax shall also post, in the same size typeset as the
 24 provider tax information, the amount of payment received from the Department for
 25 Medicaid Services during the same period the provider tax was paid. Providers who fail
 26 to meet this requirement shall be excluded from the Disproportionate Share Hospital and
 27 Medicaid Programs. The Cabinet for Health and Family Services shall include this

1 provision in facilities' annual licensure inspection.

2 **(6) Quality and Charity Care Trust Fund:** No hospital shall be reimbursed
3 from both the Quality and Charity Care Trust Fund and the Disproportionate Share
4 Hospital Program for the same service to the same patient. Any hospital that willfully
5 violates this provision shall be subject to a penalty equal to three times the amount of the
6 improper charge to the funds, which shall be credited to the General Fund. The Secretary
7 of the Cabinet for Health and Family Services shall have the authority to secure the
8 patient information as needed from the participating facilities in order to determine
9 compliance and enforce this provision. Each facility billing and receiving reimbursements
10 from the Quality and Charity Care Trust Fund shall be required to identify each patient by
11 Social Security number and indicate whether the patient is classified as indigent or
12 medically needy. Notwithstanding any other provision of this Act or law, in any fiscal
13 year for which all the parties to the Quality and Charity Care Trust Agreement so agree,
14 the General Fund appropriation to fulfill the Commonwealth's contractual obligation
15 relating to the Quality and Charity Care Trust Agreement or any portion thereof, together
16 with any other funds paid to the Quality and Charity Care Trust contractual obligation of
17 the parties, or any portion thereof, shall be transferred to the Department for Medicaid
18 Services as part of its Restricted Funds appropriation for Medicaid Benefits. In any fiscal
19 year for which all the parties to the Quality and Charity Care Trust Agreement do not
20 agree to transfer all or any portion of the Trust's revenues to the Department for Medicaid
21 Services for Medicaid Benefits, the Quality and Charity Care Trust shall operate pursuant
22 to its contractual provisions.

23 **(7) Kentucky Children's Health Insurance Program (KCHIP):** The Secretary
24 of the Cabinet for Health and Family Services may transfer funds from Medicaid Benefits
25 to the KCHIP General Fund or Restricted Funds appropriations to be used to match the
26 Federal Funds allocation. These transfers may be made to cover both additional regular
27 allocations and redistribution from the federal government. The Secretary shall

1 recommend any proposed transfer to the State Budget Director for review and
2 concurrence prior to transfer. Upon concurrence of the State Budget Director and prior to
3 the transfer, the Secretary shall make the appropriate interim appropriation increase
4 requests pursuant to KRS 48.630.

5 **(8) Intergovernmental Transfers (IGT's):** Any funds received through an IGT
6 agreement between the Department for Medicaid Services and other governmental
7 entities, in accordance with a federally approved State Plan amendment, shall be used to
8 provide for the health and welfare of the citizens of the Commonwealth through the
9 provision of Medicaid Benefits. Revenues from IGT's are contingent upon agreement by
10 the parties and, when negotiated, the Secretary of the Cabinet for Health and Family
11 Services shall make the appropriate interim appropriations increase requests pursuant to
12 KRS 48.630.

13 **(9) Medicaid Budget Analysis Reports:** The Department for Medicaid Services
14 shall submit a quarterly budget analysis report to the Interim Joint Committee on
15 Appropriations and Revenue. The report shall provide monthly detail of actual
16 expenditures, eligibles, and average monthly cost per eligible by eligibility category along
17 with current trailing 12-month averages for each of these figures. The report shall also
18 provide actual figures for all categories of noneligible-specific expenditures such as
19 Supplemental Medical Insurance premiums, Kentucky Patient Access to Care,
20 nonemergency transportation, drug rebates, cost settlements, and Disproportionate Share
21 Hospital payments by type of hospital. The report shall compare the actual expenditure
22 experience with those underlying the enacted or revised enacted budget and explain any
23 significant variances which may occur.

24 **(10) Medicaid Benefits Budget Deficit:** In the event Medicaid Benefits
25 expenditures are projected to exceed available funds, the Secretary of the Cabinet for
26 Health and Family Services shall be empowered to recommend that reimbursement rates,
27 optional services, eligibles, or programs be reduced or maintained at levels existing at the

1 time of the projected deficit in order to avoid a budget deficit. The projected deficit shall
2 be confirmed by the Office of State Budget Director. No service, eligible, or program
3 reductions shall be implemented by the Cabinet for Health and Family Services without
4 written notice of such action to the Interim Joint Committee on Appropriations and
5 Revenue and the State Budget Director. Such actions taken by the Cabinet for Health and
6 Family Services shall be reported, upon request, at the next meeting of the Interim Joint
7 Committee on Appropriations and Revenue.

8 **(11) Medicaid Benefits Budget Surplus:** In the event Medicaid Benefits
9 expenditures are less than available funds, the Secretary of the Cabinet for Health and
10 Family Services may recommend the utilization of available funds to increase
11 reimbursement rates, support program administration, or expand the Medicaid Program or
12 the number of eligibles. No reimbursement rate, service, eligible, or program shall be
13 increased without written approval of the State Budget Director and a report to the
14 Interim Joint Committee on Appropriations and Revenue.

15 **(12) Transfer of Medicaid Benefits Funds for Medicaid Modernization:** Any
16 portion of the General Fund appropriation in either fiscal year that is deemed to be
17 necessary for the administration of the Medicaid Modernization initiative may be
18 transferred from Medicaid Benefits in accordance with statutes governing the functions
19 and activities of the Department for Medicaid Services. The Secretary shall recommend
20 any proposed transfer to the State Budget Director for approval prior to transfer. Such
21 action shall be reported by the Cabinet for Health and Family Services to the Interim Joint
22 Committee on Appropriations and Revenue.

23 **(13) Critical Access Hospitals:** Notwithstanding 2004 Ky. Acts ch. 56, sec. 2,
24 through June 30, 2008, no acute care hospital shall convert to a critical access hospital
25 unless the hospital has either received funding for a feasibility study from the Kentucky
26 State Office of Rural Health or filed a written request by January 1, 2006, with the
27 Kentucky State Office of Rural Health requesting funding for conducting a feasibility

1 study.

2 **(14) Medicaid Copayments:** Notwithstanding KRS 205.6312, the Department for
3 Medicaid Services may impose copayments for services rendered to Medicaid recipients
4 not to exceed the amounts permitted by federal authority.

5 **(15) Medicaid State Match for Preventive Services By Local and District**
6 **Health Departments:** Included in the above appropriation in each year of the fiscal
7 biennium are the total state matching funds required to fully support preventive health
8 services provided to Medicaid recipients through local and district health departments.
9 Such services shall continue, at a minimum, at the current level of effort.

10 **(16) Quarterly Cost Containment Reporting:** The Cabinet for Health and Family
11 Services shall submit a quarterly report to the Interim Joint Committee on Appropriations
12 and Revenue on cost-containment initiatives implemented to reduce costs in the Medicaid
13 Program, including the actual experience compared to projected savings for each
14 initiative. In addition, this report shall include any anticipated initiatives to be
15 implemented to reduce Medicaid costs, including a projection for savings from each
16 initiative and implementation date. If applicable, the report shall also include a list of
17 anticipated Medicaid Program expansions, including projected costs and implementation
18 dates.

19 **(17) Adult Day Care Service Rate Increase:** Included in the above appropriation
20 is \$700,000 in Restricted Funds and \$1,595,100 in Federal Funds in fiscal year 2006-
21 2007 and \$700,000 in Restricted Funds and \$1,601,100 in Federal Funds in fiscal year
22 2007-2008 to increase reimbursement rates for Adult Day Care services.

23 **(18) School-based Health Service Expansion:** Included in the above
24 appropriation is \$250,000 in Restricted Funds and \$569,700 in Federal Funds in fiscal
25 year 2006-2007 and \$250,000 in Restricted Funds and \$571,800 in Federal Funds in
26 fiscal year 2007-2008 to expand school-based health services.

27 **(19) Ambulance Fee Increase:** The Department for Medicaid Services shall

1 continue ambulance reimbursement during each fiscal year at the rate level established by
2 the 2005 General Assembly for fiscal year 2005-2006.

3 **(20) Model II Waiver Expansion:** Included in the above appropriation is
4 \$1,000,000 in General Fund support and \$2,278,700 in Federal Funds in fiscal year 2006-
5 2007 and \$1,000,000 in General Fund support and \$2,287,300 in Federal Funds in fiscal
6 year 2007-2008 to expand Model II waiver services to approximately 40 additional
7 ventilator-dependent patients.

8 **(21) Breast and Cervical Cancer Treatment Expansion:** Included in the above
9 appropriation is \$150,000 in Restricted Funds and \$341,800 in Federal Funds in fiscal
10 year 2006-2007 and \$150,000 in Restricted Funds and \$343,100 in Federal Funds in
11 fiscal year 2007-2008 to expand the Breast and Cervical Cancer Treatment Services
12 Program.

13 **(22) General Fund Carry Forward:** Notwithstanding KRS 45.229, included in
14 the above General Fund appropriation is \$3,264,000 in fiscal year 2005-2006 which shall
15 be carried forward and utilized to support Medicaid Benefits expenditures in fiscal year
16 2006-2007 and \$2,387,300 in fiscal year 2006-2007 which shall be carried forward and
17 utilized to support Medicaid Benefits expenditures in fiscal year 2007-2008.

18 **(23) Hospital Provider Tax and Enhanced Payments:** Notwithstanding KRS
19 142.303 or the 2004-2006 State/Executive Branch Budget (2005 Ky. Acts ch. 173)
20 establishing a lower amount of tax, hospital provider tax collections in fiscal year 2005-
21 2006 shall not be less than \$180,000,000. Notwithstanding KRS 205.640 and any other
22 provision of the Kentucky Revised Statutes to the contrary, the Department for Medicaid
23 Services shall use these funds to maintain and continue the hospital inpatient payment
24 enhancements to Kentucky hospitals adopted in fiscal year 2005-2006 and the additional
25 funding allocated by the Department to enhance reimbursement to hospitals paid under
26 managed care arrangements. If the aggregate tax collected from all hospitals in fiscal year
27 2005-2006 pursuant to KRS 142.303 is less than \$180,000,000, each hospital shall pay an

1 additional provider tax in an amount equal to its pro rata share of the difference, based on
2 its taxes paid in relation to total hospital taxes paid in the prior fiscal year. If the hospital
3 provider tax paid in fiscal year 2005-2006 pursuant to KRS 142.303 is greater than
4 \$180,000,000, the amount in excess of \$180,000,000 shall be deposited into the "Hospital
5 Payment Improvement Trust Fund," which is hereby created in the State Treasury as a
6 trust and agency account, and shall be matched with Federal Funds for the sole use of
7 increasing reimbursement to Kentucky hospitals, including those paid under managed
8 care arrangements. To the extent that funds remain in the trust fund established by 2005
9 Ky. Acts ch. 173, Part I, H.3.b.(7), those funds shall be transferred to the fund created in
10 this subsection, and shall be used for the purposes stated above. Any outstanding
11 payments due pursuant to the provisions of 2005 Ky. Acts ch. 173, Part I, H.3.b.(7) shall
12 be retroactive to the beginning of fiscal year 2005-2006 and shall be paid no later than
13 July 30, 2006.

14 Notwithstanding KRS 142.303, hospital provider tax collections for fiscal year
15 2006-2007 and fiscal year 2007-2008 shall be not less than \$180,000,000, but shall not
16 exceed the amount of the aggregate provider taxes paid by hospitals in fiscal year 2005-
17 2006. Notwithstanding KRS 205.640 and any other provision of the Kentucky Revised
18 Statutes to the contrary, the Department for Medicaid Services shall use these funds to
19 maintain and continue the hospital inpatient payment enhancements to Kentucky
20 hospitals adopted in fiscal year 2005-2006 and the additional funding allocated by the
21 Department to enhance reimbursement to hospitals paid under managed care
22 arrangements. Notwithstanding KRS 142.301 to 142. 363, taxes due in fiscal year 2006-
23 2007 and in fiscal year 2007-2008 shall be paid in 12 equal monthly installments, except
24 as otherwise provided below, with each payment due no later than 20 days after the last
25 day of each calendar month. At least 30 days prior to the beginning of the fiscal year, the
26 Department of Revenue shall send written notice to each hospital of the hospital's
27 estimated total tax liability for the year, which shall be the amount the hospital paid in

1 taxes in fiscal year 2005-2006. The estimate for fiscal year 2006-2007 shall be based on
2 actual payments for the first ten months of fiscal year 2005-2006, and an estimated
3 amount for the last two months of fiscal year 2005-2006. Any adjustment in the total
4 payment amount due to differences between the estimated and actual payments for the
5 last two months of fiscal year 2005-2006 shall be made in the final payment due for fiscal
6 year 2006-2007. In the case of a new hospital that did not operate in state fiscal year
7 2005-2006, the hospital shall be taxed pursuant to KRS 142.303. Any hospital provider
8 tax collections in excess of \$180,000,000 in fiscal year 2006-2007 or in fiscal year 2007-
9 2008 shall be deposited into the "Hospital Payment Improvement Trust Fund," which is
10 hereby created in the State Treasury as a trust and agency account, and shall be matched
11 with Federal Funds for the sole use of increasing reimbursement to Kentucky hospitals,
12 including those paid under managed care arrangements. Any payments due pursuant to
13 this section shall be made by July 30 of each fiscal year.

14 **(24) Acquired Brain Injury Waiver Program:** Included in the above
15 appropriation is \$1,000,000 in General Fund moneys and \$2,278,700 in Federal Funds in
16 fiscal year 2006-2007 and \$1,000,000 in General Fund moneys and \$2,287,300 in Federal
17 Funds in fiscal year 2007-2008 to support 65 additional individuals through the Acquired
18 Brain Injury Waiver Program.

19 **(25) Medicaid Pharmacy:** Notwithstanding KRS 205.6312(4), a pharmacy
20 provider participating in the Medical Assistance Program shall not be required to serve an
21 eligible recipient if the recipient does not make the required copayment at the time of
22 service, except for an initial encounter when a recipient presents a condition which could
23 result in harm to the recipient if left untreated, in which case the pharmacist shall
24 dispense a 72 hour emergency supply of the required medicine. The recipient may then
25 return to the pharmacy with the necessary copayment to obtain the remainder of the
26 prescription. Only one dispensing fee shall be paid by the Cabinet for the provision of
27 both the emergency supply and the remainder of the prescription.

1 **(26) Appeals:** An appeal for denial of a service or services provided by a Medicaid
 2 managed care organization for medical necessity, or denial, limitation, or termination of a
 3 health care service in a case involving a medical or surgical specialty or subspecialty,
 4 shall, upon request of the recipient, authorized person, or provider, include a review by a
 5 board-eligible or board-certified physician in the appropriate specialty or subspecialty
 6 area; except in the case of a health care service rendered by a chiropractor or optometrist,
 7 in which case, the denial shall be made respectively by a chiropractor or optometrist duly
 8 licensed in Kentucky as specified in KRS 304.17A-607(1)(b). The physician reviewer
 9 shall not have participated in the initial review and denial of service and shall not be the
 10 provider of service or services under consideration in the appeal.

11 **4. MENTAL HEALTH AND MENTAL RETARDATION SERVICES**

12		2006-07	2007-08
13	General Fund (Tobacco)	800,000	800,000
14	General Fund	185,755,200	194,117,600
15	Restricted Funds	207,572,000	210,790,500
16	Federal Funds	44,300,200	43,682,000
17	TOTAL	438,427,400	449,390,100

18 **(1) Disproportionate Share Hospital Funds:** Mental health disproportionate
 19 share funds are budgeted at the maximum amounts permitted by the Federal Balanced
 20 Budget Act of 1997, as amended by the Federal Benefits Improvements and Protection
 21 Act of 2000 and the Medicare Modernization Act of 2003, in the amount of \$34,567,300
 22 in each fiscal year.

23 **(2) Kentucky Commission on Services and Supports for Individuals with**
 24 **Mental Illness, Alcohol and Other Drug Abuse Disorders, and Dual Diagnoses:** The
 25 Department for Mental Health and Mental Retardation Services shall provide at least
 26 \$12,500 each fiscal year to be distributed to support the continued operation of the 14
 27 regional planning councils and Commission activities relating to the mandates of KRS

1 210.500, 210.502, 210.504, 210.506, and 210.509, through June 30, 2008. The regional
 2 planning councils shall make recommendations for, and the Commission shall develop, a
 3 two-year work plan for specifying goals and strategies relating to services and supports
 4 for individuals with mental illness, alcohol and other drug disorders, and dual diagnoses,
 5 and efforts to reduce the stigma associated with mental illness and other substance abuse
 6 disorders. The Commission shall report workgroup activities and findings to the
 7 Governor and the Interim Joint Committee on Health and Welfare by December 1 of each
 8 year.

9 **(3) Debt Service:** Included in the above General Fund appropriation in fiscal year
 10 2007-2008 is \$101,000 for debt service to support new bonds as set forth in Part II,
 11 Capital Projects Budget, of this Act.

12 **(4) Tobacco Settlement Funds:** Included in the above General Fund (Tobacco)
 13 appropriation is \$800,000 in each fiscal year for substance abuse prevention and
 14 treatment for pregnant women with a history of substance abuse problems.

15 **(5) Replacement of Eastern State Hospital:** The Secretary of the Cabinet for
 16 Health and Family Services, in compliance with KRS 210.370 to 210.485 and KRS
 17 Chapter 45A, shall be authorized to provide for the replacement and continuing operation
 18 of Eastern State Hospital. The Cabinet for Health and Family Services shall solicit
 19 proposals for such replacement by no later than January 1, 2007.

20 **(6) Prior Notice Process for Changes to the Operations of Central State**
 21 **Hospital Intermediate Care Facility for the Mentally Retarded/Developmentally**
 22 **Disabled (ICF MR/DD):** Notwithstanding KRS 210.045(1)(g), 210.045(1)(h), and
 23 210.045(2), the 60 day notice requirement contained in KRS 210.045 is suspended until
 24 July 1, 2008, for changes to Central State Hospital ICF MR/DD as referenced in
 25 subsection (7) of this section. However, the remaining provisions of KRS 210.045 shall
 26 continue to be in effect.

27 **(7) Hazelwood Intermediate Care Facility for the Mentally**

1 **Retarded/Developmentally Disabled (ICF MR/DD):** The Cabinet for Health and
2 Family Services may procure, through the process established by KRS Chapter 45A, a
3 contractual arrangement for a nonstate agency to construct residential units to
4 accommodate the transfer of licensed ICF MR/DD beds at Central State Hospital to the
5 Hazelwood campus. The Cabinet may use these units to house residents currently located
6 at Central State ICF MR/DD. Requests for Proposals shall be issued no later than January
7 1, 2007, for the construction of the residential units to accommodate the transfer of
8 licensed ICF MR/DD beds at Central State to the Hazelwood campus, and the
9 construction of an outpatient psychiatric physical health clinic and an outpatient
10 psychiatric dental clinic on the campus of Hazelwood ICF MR/DD.

11 **(8) Crisis Stabilization Mental Health Services through Regional Mental**
12 **Health/Mental Retardation (MH/MR) Boards:** Included in the above General Fund
13 appropriation is \$3,027,400 in fiscal year 2006-2007 and \$3,077,500 in fiscal year 2007-
14 2008 to support crisis stabilization mental health services provided through regional
15 MH/MR boards, including \$127,400 in fiscal year 2006-2007 and \$177,500 in fiscal year
16 2007-2008 for mental inquest warrant patients served by Hardin Memorial Hospital.

17 **(9) Wellsprings David Block Crisis Stabilization Unit:** Included in the above
18 General Fund appropriation is \$500,000 in each fiscal year to establish the Wellsprings
19 David Block Crisis Stabilization Unit in Louisville, Kentucky to provide mental health
20 crisis stabilization services.

21 **(10) Aging Caregivers One-Stop Shop:** Included in the above General Fund
22 appropriation is \$200,000 in each fiscal year to establish an Aging Caregivers One-Stop
23 Shop to provide aging caregivers with information, consultation, and assistance with
24 choices and planning for long-term supports for individuals with mental retardation and
25 developmental disability.

26 **5. PUBLIC HEALTH**

2006-07

2007-08

1	General Fund (Tobacco)	14,000,900	14,721,100
2	General Fund	70,899,700	73,823,000
3	Restricted Funds	71,482,700	71,599,000
4	Federal Funds	169,426,000	169,878,400
5	TOTAL	325,809,300	330,021,500

6 **(1) Health Kentucky:** Included in the above General Fund appropriation is
7 \$150,000 in fiscal year 2006-2007 for Health Kentucky, Inc.

8 **(2) Tobacco Settlement Funds:** Included in the above General Fund (Tobacco)
9 appropriation is \$7,149,800 in fiscal year 2006-2007 and \$7,599,900 in fiscal year 2007-
10 2008 for the Health Access Nurturing Development Services Program; \$1,000,000 in
11 fiscal year 2006-2007 and \$1,140,100 in fiscal year 2007-2008 for Healthy Start
12 initiatives; \$1,750,000 in each fiscal year for Universal Children's Immunizations;
13 \$400,000 in each fiscal year for the Folic Acid Program; \$775,000 in each fiscal year for
14 Early Childhood Mental Health; \$210,500 in each fiscal year for Early Childhood Oral
15 Health; \$2, 215,600 in fiscal year 2006-2007 and \$2,345,600 in fiscal year 2007-2008 for
16 the Smoking Cessation Program; and \$500,000 in each fiscal year for the Kentucky Early
17 Intervention Services First Steps Program.

18 **(3) Governor's Council on Wellness and Physical Activity:** Included in the
19 above General Fund appropriation is \$1,000,000 in fiscal year 2006-2007 and \$1,500,000
20 in fiscal year 2007-2008 for the Governor's Council on Wellness and Physical Activity to
21 develop and implement a statewide fitness program available to all Kentuckians that
22 promotes fitness and wellness for persons of all ages and fitness levels.

23 **(4) Local and District Health Department Payments:** The Department for
24 Public Health shall not impose a cap or other restriction on the number or amount of
25 services that a Local or District Health Department may provide. The Department for
26 Public Health shall submit all requests for payment for services provided to the
27 Department for Medicaid Services that are submitted by a Local or District Health

1 Department.

2 **(5) Medicaid State Match for Preventive Services Through Local and**
3 **District Health Departments:** Included in the Medicaid Benefits appropriation is the
4 total General Fund state matching dollars required in each fiscal year to fully support
5 preventive health services provided to Medicaid recipients through Local and District
6 Health Departments.

7 **(6) Health Insurance for Local and District Health Departments:** Included in
8 the above General Fund appropriation is \$6,174,000 each fiscal year to assist the Local
9 and District Health Departments with the required increased employer contribution for
10 employee health insurance. These funds shall be distributed to the Local and District
11 Health Departments at least quarterly.

12 **(7) Diabetes Services:** Included in the above General Fund appropriation is
13 \$2,300,000 in fiscal 2006-2007 and \$3,050,000 in fiscal year 2007-2008 for continuation
14 of base services through Local or District Health Departments.

15 **(8) Diabetes Research Board:** Included in the above General Fund appropriation
16 is \$200,000 in each fiscal year, which shall be allocated to the Diabetes Research Board.

17 **(9) Diabetes Centers of Excellence:** Included in the above General Fund
18 appropriation is \$750,000 each fiscal year to establish three regional Diabetes Centers of
19 Excellence. Services within the Centers will be based on the number of Medicaid
20 recipients diagnosed with diabetes within the area. These centers shall be designed to
21 provide education, intervention therapy, and case management services and shall
22 demonstrate the effectiveness of this intervention with outcomes and reduced Medicaid
23 expenditures for this disease.

24 **(10) Local and District Health Department Infrastructure Pool:** Included in the
25 above General Fund appropriation is \$466,000 in fiscal year 2007-2008 to provide debt
26 service to support \$10,000,000 in bonds for a Local and District Health Department
27 Infrastructure Pool to be administered by the Department for Public Health to address a

1 portion of the construction and renovation needs of the local public health agencies as set
 2 forth in Part II, Capital Projects Budget, of this Act. The Department for Public Health
 3 shall establish an application process to participate in this pool, and that process shall
 4 require in-kind or matching funds from the local agency of not less than 25 percent of the
 5 grant requested. No individual grant from this pool shall exceed \$500,000. If the amount
 6 of bond funds available from the pool is not sufficient to cover all applications, the
 7 department shall determine the distribution of pool assets.

8 **(11) Kentucky Prescription Drug Patient Assistance Program:** Included in the
 9 above General Fund appropriation is \$125,000 in fiscal year 2006-2007 and \$200,000 in
 10 fiscal year 2007-2008 to establish the Kentucky Prescription Drug Patient Assistance
 11 Program to create a statewide network to link low-income Kentuckians with prescription
 12 drug patient assistance programs offered by pharmaceutical companies and to provide
 13 assistance in obtaining and completing the required documents. The Department may
 14 contract with the University of Kentucky, local health departments, or other organizations
 15 to develop a network and provide this assistance.

16 (a) As used in this subsection, "prescription drug patient assistance programs"
 17 means the programs offered by pharmaceutical companies under which the companies
 18 provide drugs to low-income individuals at no charge or at a substantially reduced cost.
 19 The term does not include the provision of a drug as part of a clinical trial.

20 (b) The Kentucky Prescription Drug Patient Assistance Program is established
 21 within the Cabinet for Health and Family Services, Department for Public Health. The
 22 purposes of the program are to:

- 23 1. Create an Internet-based statewide network to link low-income Kentuckians
 24 with prescription drug patient assistance programs offered by pharmaceutical companies;
- 25 2. Provide assistance in obtaining and completing the required documents;
- 26 3. Establish guidelines related to the security and privacy of protected health
 27 information provided through the Internet-based statewide network; and

1 4. Explore the feasibility of the standardization of the application process for
2 prescription drug patient assistance programs.

3 (c) If funds are available, the program created in paragraph (b) of this subsection
4 shall:

5 1. Provide information on the eligibility guidelines and drug coverage provided
6 though any drug assistance program offered by the cabinet;

7 2. Provide information on the process for applying to pharmaceutical companies
8 for free or discounted prescription drugs;

9 3. Provide information to individuals, physicians, pharmacists, and pharmacies
10 regarding eligibility for prescription drug patient assistance programs;

11 4. Increase awareness of the various prescription drug patient assistance
12 programs offered by pharmaceutical companies;

13 5. Establish an Internet-based statewide network to provide information on
14 prescription drug patient assistance programs;

15 6. Link individuals to local community resources to assist with completing
16 required documents; and

17 7. Use the e-health network Web site to provide a link to information on
18 prescription drug assistance programs, eligibility guidelines, and applications. The e-
19 health network link shall have the capability of supporting the completion and
20 transmission of the applications online to health care providers for any required
21 signatures.

22 (d) The cabinet may consult or contract with the University of Kentucky College
23 of Pharmacy, University of Kentucky College of Agriculture Cooperative Extension,
24 local health departments, libraries, the Kentucky Cancer Caucus, or other organizations to
25 develop a network of agencies to assist individuals in accessing prescriptions through the
26 prescription drug patient assistance programs.

27 (e) The cabinet may seek funding for the Internet-based statewide network

1 created under paragraph (b) of this subsection from pharmaceutical companies or any
2 other private entity. Any funding provided by a private entity shall be on a voluntary
3 basis.

4 (f) The cabinet may promulgate an administrative regulation to establish
5 guidelines related to the security and privacy of protected health information provided
6 through the Internet-based statewide network created under paragraph (b) of this
7 subsection.

8 **(12) Area Health Education Centers:** Included in the above General Fund
9 appropriation is \$1,500,000 in fiscal year 2006-2007 and \$1,500,000 in fiscal year 2007-
10 2008 to support the Area Health Education Centers. The Cabinet for Health and Family
11 Services shall contract with the University of Louisville and the University of Kentucky
12 to provide the required support and the amount of that contract shall be in addition to any
13 other appropriations received by the universities and shall not become part of the
14 universities' base budgets for purposes of the Council on Postsecondary Education
15 funding formula.

16 **(13) Central Kentucky Blood Center:** Included in the above General Fund
17 appropriation is \$500,000 in fiscal year 2006-2007 to provide assistance toward the
18 construction of new facilities and purchase of equipment related to blood collection and
19 distribution.

20 **(14) Kentucky AIDS Drug Assistance Program:** Included in the above General
21 Fund appropriation is \$250,000 in each fiscal year for the Kentucky AIDS Drug
22 Assistance Program (KADAP).

23 **(15) Poison Control Center:** Additional support of \$150,000 is provided in the
24 above General Fund appropriation in each fiscal year for the Poison Control Center.

25 **(16) Lead Poisoning and Screening Program:** Included in the above General
26 Fund appropriation is \$50,000 in each fiscal year for the Lead Poisoning and Screening
27 Program. With these funds, the Department for Public Health shall review all federal

1 Medicaid or Medicare compliance issues with respect to lead poisoning and screening
 2 and report its findings to the General Assembly. The report shall include a proposed plan
 3 of action to correct any deficiencies or areas where programs and services are offered or
 4 supported by the Cabinet and are not in compliance with federal requirements related to
 5 lead poisoning and screening.

6 **(17) Osteoporosis Prevention and Education Program:** Included in the above
 7 General Fund appropriation is \$90,000 in each fiscal year to establish, promote, and
 8 maintain a statewide multigenerational osteoporosis prevention and education program.

9 **6. HEALTH POLICY**

	2006-07	2007-08
10 General Fund	636,000	625,600
11 Restricted Funds	605,700	622,400
12 TOTAL	1,241,700	1,248,000

14 **(1) Voluntary Relinquishment of a Certificate of Need or Licensure:**
 15 Notwithstanding KRS 216B.061, following the voluntary closure of a health care facility,
 16 revocation of a certificate of need, or the revocation of licensure, the beds, equipment,
 17 and services provided by the closed facility shall be reserved for applications for any
 18 certificate of need to reestablish the same services, in whole or part, in the same county as
 19 the closed health facility.

20 **7. HUMAN SUPPORT SERVICES**

	2005-06	2006-07	2007-08
21 General Fund (Tobacco)	-0-	100,000	100,000
22 General Fund	-0-	41,528,400	45,648,400
23 Restricted Funds	100,000	656,600	656,600
24 Federal Funds	-0-	24,396,700	24,401,900
25 TOTAL	100,000	66,681,700	70,806,900

26 **(1) Local Match Requirements:** Notwithstanding KRS 205.460, entities

1 contracting with the Cabinet for Health and Family Services to provide essential services
2 under KRS 205.455 and 205.460 shall provide local match equal to or greater than the
3 amount in effect during fiscal year 2005-2006. Local match may include any combination
4 of materials, commodities, transportation, office space, personal services, or other types
5 of facility services or funds. The Secretary of the Cabinet for Health and Family Services
6 shall prescribe the procedures to certify the local match assurance.

7 **(2) Tobacco Settlement Funds:** Included in the above General Fund (Tobacco)
8 appropriation is \$100,000 in each fiscal year for the Children's Advocacy Centers.

9 **(3) Children's Advocacy Centers:** Included in the above General Fund
10 appropriation is funding to provide each Regional Children's Advocacy Center an
11 increase in its base operating grant of \$32,000 for each fiscal year. Also included in the
12 above General Fund appropriation is funding to provide each Regional Children's Center
13 an additional \$34,600 appropriation each fiscal year provided that the Center has on staff,
14 or can document the intent to employ or contract for, a qualified forensic interviewer at
15 least half-time.

16 **(4) Regional Rape Crisis Centers:** Included in the above General Fund
17 appropriation is funding to provide an increase of \$66,600 in base state funding for each
18 region, for each year of the biennium, to cover increased levels of client service needs and
19 increased cost of center operations.

20 **(5) Domestic Violence Statewide Programs:** Included in the above General
21 Fund appropriation is funding to provide a grant of \$45,000 for each region for each fiscal
22 year, to cover increased levels of client service needs and increased cost of center
23 operations of Domestic Violence Programs. These funds are in addition to funding
24 received through the Department for Community Based Services.

25 **(6) Family Resource and Youth Service Centers:** Included in the above
26 General Fund appropriation is \$1,522,600 in fiscal year 2006-2007 and \$3,045,200 in
27 fiscal year 2007-2008 to provide an allocation rate increase to \$204 per eligible child in

1 fiscal year 2006-2007, and return to the original allocation rate of \$210 per eligible child
2 in fiscal year 2007-2008. Also included in the above General Fund appropriation is
3 \$1,060,800 to expand the program to serve 25 additional schools in fiscal year 2006-2007
4 and \$2,373,000 to expand the program to serve 29 additional schools in fiscal year 2007-
5 2008.

6 **(7) Kentucky Family Caregiver Program:** Included in the above General Fund
7 appropriation is \$1,250,000 in fiscal year 2006-2007 and \$2,000,000 in fiscal year 2007-
8 2008 for the expansion of the Kentucky Family Caregiver Program to provide assistance
9 grants or vouchers to grandparents who are the primary caregivers of their grandchildren.
10 To be eligible for this program, a grandparent may not have annual income that exceeds
11 150 percent of the federal poverty level and may not be receiving payments from the
12 Kinship Care Program. The maximum total of grants or vouchers per child shall be \$750
13 in any one fiscal year for each grandchild. Grants or vouchers from this program shall be
14 utilized by the grandparent to provide child clothing, respite assistance, educational
15 supplies or assistance, required legal services, medical and dental services, and other
16 expenses for the grandchild that the cabinet authorizes. The Cabinet for Health and
17 Family Services shall promulgate administrative regulations, in accordance with KRS
18 Chapter 13A, to implement this program no later than January 1, 2007.

19 **(8) Expansion of Aging Services:** Included in the above General Fund
20 appropriation is \$3,500,000 in fiscal year 2006-2007 and \$4,000,000 in fiscal year 2007-
21 2008 to expand Aging Services. With these additional funds and the base appropriation,
22 the General Fund amount shall be expended in the following manner: \$28,224,300 in
23 fiscal year 2006-2007 and \$28,724,400 in fiscal year 2007-2008 to address waiting lists in
24 programs such as Homecare Services, the Personal Care Attendant Program, Adult Day
25 Care, and Home-Delivered Meals. The additional funding provided in this subsection
26 shall only be utilized for the provision of additional direct services in these programs.

27 **(9) Dementia Training:** Included in the above General Fund appropriation is

\$50,000 in fiscal year 2006-2007 and \$50,000 in fiscal year 2007-2008 to create a voluntary pilot program for dementia training for long-term care facilities.

(10) Ready, Set, Success Program: The Department for Human Support Services shall establish a "Ready, Set, Success" pilot program to encourage the development of local community partnerships and the development of programs and services for children who are under age six, and to ensure that children across the Commonwealth are born healthy, are nurtured, and remain healthy, safe, and prepared to succeed in school and life.

a. The Department shall promulgate administrative regulations to define the "Ready, Set, Success" Program and service criteria.

b. The Department, in cooperation with the Kentucky Department of Education and the Education Cabinet, may host an annual statewide "Ready, Set, Success" summit to share findings and best practices from the pilot program. The Department shall advise the Department of Education and the Education Cabinet on the time and location of the summit.

8. OMBUDSMAN

	2006-07	2007-08
General Fund	3,568,400	3,534,400
Restricted Funds	50,000	50,000
Federal Funds	2,203,600	2,183,000
TOTAL	5,822,000	5,767,400

9. DISABILITY DETERMINATION SERVICES

	2006-07	2007-08
Restricted Funds	65,800	65,800
Federal Funds	48,584,000	50,174,900
TOTAL	48,649,800	50,240,700

10. COMMUNITY BASED SERVICES

	2005-06	2006-07	2007-08
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1	General Fund (Tobacco)	-0-	6,970,400	7,420,400
2	General Fund	-0-	316,033,500	341,729,700
3	Restricted Funds	-0-	133,505,800	136,301,300
4	Federal Funds	4,900,300	511,118,200	523,230,400
5	TOTAL	4,900,300	967,627,900	1,008,681,800

6 **(1) Tobacco Settlement Funds:** Included in the above General Fund (Tobacco)
7 appropriation is \$6,970,400 in fiscal year 2006-2007 and \$7,420,400 in fiscal year 2007-
8 2008 for the Early Childhood Development Program.

9 **(2) Out-of-Home Care:** Included in the above General Fund appropriation is
10 \$7,383,000 in fiscal year 2006-2007 and \$22,962,600 in fiscal year 2007-2008 which is
11 necessary to support and sustain the increased number of court-committed children in the
12 care of the Cabinet.

13 **(3) Criminal Background Investigation Fee Establishment:** The Secretary of
14 the Cabinet for Health and Family Services may promulgate administrative regulations
15 necessary to prescribe criminal background investigation fee amounts which are reflected
16 in the Restricted Funds appropriation above.

17 **(4) Department for Community Based Services Modernization:** Savings
18 generated through efficiencies achieved from the modernization and streamlining of the
19 Department for Community Based Services shall be redirected to other areas within the
20 Department for Community Based Services to enhance adult protection services and
21 family based services, to accommodate increased numbers of children in care, and to
22 offset reductions in available federal funding.

23 **(5) Protection and Permanency Staff Technology Improvements:** Included in
24 the above appropriation is \$1,008,300 in General Fund support and \$291,700 in Federal
25 Funds in each fiscal year to provide technology improvements for each Adult Protection
26 and Child Protection Services staff, including but not limited to new laptop or desktop
27 computers. In addition, included in the above appropriation is \$244,900 in General Fund

1 support and \$31,500 in Federal Funds in fiscal year 2006-2007 to provide digital cameras
 2 for each Adult Protection and Child Protection Services staff and a printer for each
 3 investigative team in each local office to assist in documenting abuse investigations.

4 **(6) Foster Parent and Adoption Assistance Rate Increases:** Included in the
 5 above appropriation to increase Foster Parent and Adoption Assistance daily
 6 reimbursement rates beginning on July 1, 2007, is \$4,844,500 in General Fund moneys
 7 and \$3,989,300 in Federal Funds for \$3 per day in fiscal year 2007-2008.

8 **(7) Private Child Care Provider Rate Increases:** Included in the above
 9 appropriation to increase Private Child Care Provider reimbursement rates beginning on
 10 July 1, 2007, is \$2,883,700 in General Fund moneys and \$544,800 in Federal Funds for
 11 an additional \$3 per day in fiscal year 2007-2008.

12 **(8) Performance Incentives for Hard-to-Place Youth:** Included in the above
 13 appropriation is \$961,200 in General Fund moneys and \$181,600 in Federal Funds in
 14 fiscal year 2007-2008 to create a pool to serve hard-to-place youth by providing
 15 performance incentives to private child care providers beginning on July 1, 2007.

16 **(9) Foster Youth Transitional Assistance:** Included in the above General Fund
 17 appropriation is \$1,000,000 in each fiscal year to provide assistance grants or vouchers to
 18 current or former foster youth ages 18 through 23. The maximum total of grants or
 19 vouchers per youth shall be \$7,500 in any one fiscal year for working youth. Youth may
 20 be eligible for an additional grant totaling \$2,500 per year while attending a community
 21 college or four year college or university. Grants or vouchers from this program shall be
 22 utilized by the youth for transitional assistance into independence, including but not
 23 limited to housing, clothing, transportation, tuition, medical and dental services, and other
 24 expenses for the youth for the transition that the cabinet authorizes. The Cabinet for
 25 Health and Family Services shall promulgate administrative regulations, in accordance
 26 with KRS Chapter 13A, to implement this program no later than October 1, 2006.
 27 Notwithstanding KRS 45.229, any General Fund moneys for this purpose unexpended in

fiscal year 2006-2007 shall not lapse but shall carry forward into fiscal year 2007-2008 for the same purpose.

(10) Home of the Innocents: Included in the above General Fund appropriation is \$385,000 in fiscal year 2007-2008 for debt service to support new bonds for a matching grant to Home of the Innocents for Phase II of the Childrens' Village as set forth in Part II, Capital Projects Budget, of this Act. Up to \$8,250,000 in funds generated by Home of the Innocents from other public and private sources shall be matched by the Commonwealth.

(11) Brooklawn Child and Family Services: Included in the above General Fund appropriation is \$96,000 in fiscal year 2007-2008 for debt service to support new bonds for the Brooklawn Child and Family Services project as set forth in Part II, Capital Projects Budget, of this Act.

TOTAL - CABINET FOR HEALTH AND FAMILY SERVICES

	2005-06	2006-07	2007-08
General Fund (Tobacco)	-0-	22,183,400	23,393,500
General Fund	85,300,000	1,698,732,600	1,777,534,400
Restricted Funds	5,571,900	829,515,600	840,161,600
Federal Funds	244,314,200	4,005,325,100	4,119,198,300
TOTAL	335,186,100	6,555,756,700	6,760,287,800

I. JUSTICE AND PUBLIC SAFETY CABINET

Budget Units

1. JUSTICE ADMINISTRATION

	2006-07	2007-08
General Fund (Tobacco)	1,816,800	1,923,400
General Fund	13,796,700	13,946,400
Restricted Funds	3,340,100	3,840,100
Federal Funds	9,666,100	9,142,700
TOTAL	28,619,700	28,852,600

1 **(1) Office of Drug Control Policy:** Included in the above Restricted Funds
 2 appropriation is \$1,300,000 in fiscal year 2006-2007 and \$1,800,000 in fiscal year 2007-
 3 2008 for regional Drug Courts in Kentucky's coal-producing counties.

4 **(2) Tobacco Settlement Funds:** Included in the above General Fund (Tobacco)
 5 appropriation is \$1,816,800 in fiscal year 2006-2007 and \$1,923,400 in fiscal year 2007-
 6 2008 for the Office of Drug Control Policy.

7 **(3) Civil Legal Services for Indigents:** Included in the above General Fund
 8 appropriation is \$1,500,000 in fiscal year 2006-2007 and \$1,500,000 in fiscal year 2007-
 9 2008 to provide free legal services for indigents.

10 **(4) Operation Unite:** Included in the above Restricted Funds appropriation is
 11 \$1,250,000 in each year of the biennium for Operation Unite.

12 **(5) Multijurisdictional Drug Task Forces:** Included in the above General Fund
 13 appropriation is \$1,000,000 in each fiscal year to be administered by the Office of Drug
 14 Control Policy for the purpose of maintaining existing multijurisdictional drug task forces
 15 and allowing for expansion to under served and unserved areas to assist local and state
 16 law enforcement agencies in a proactive effort to combat drugs and crime.

17 **2. CRIMINAL JUSTICE TRAINING**

18		2005-06	2006-07	2007-08
19	Restricted Funds	602,000	46,367,300	46,744,800
20	Federal Funds	-0-	1,873,500	1,886,300
21	TOTAL	602,000	48,240,800	48,631,100

22 **(1) Kentucky Law Enforcement Foundation Program Fund:** Included in the
 23 above Restricted Funds appropriation is \$44,732,300 in fiscal year 2006-2007 and
 24 \$45,105,000 in fiscal year 2007-2008 for the Kentucky Law Enforcement Foundation
 25 Program Fund.

26 **(2) Training Incentive Payments:** Notwithstanding KRS 15.460(1), included in
 27 the above Restricted Funds appropriation is \$3,100 in fiscal year 2006-2007 and \$3,100

in fiscal year 2007-2008 for each participant for training incentive payments.

(3) Training Incentive Stipends - Justice and Public Safety Cabinet Personnel: Notwithstanding KRS 15.410, 15.420(2), 15.440(1), 15.460(1), and 15.470(2) and (4), included in the above Restricted Funds appropriation is sufficient funding for a \$3,100 annual training incentive stipend for Kentucky state troopers, Kentucky State Police arson investigators, Kentucky State Police hazardous devices investigators, Kentucky State Police legislative security specialists, and Kentucky vehicle enforcement officers.

3. JUVENILE JUSTICE

	2006-07	2007-08
General Fund	84,005,900	85,724,900
Restricted Funds	12,200,000	12,200,000
Federal Funds	14,720,000	14,420,000
TOTAL	110,925,900	112,344,900

(1) Mary Kendall Homes: Included in the above General Fund appropriation is \$350,000 in fiscal year 2006-2007 and \$350,000 in fiscal year 2007-2008 for the support of the Mary Kendall Homes.

(2) Madison County Juvenile Detention Facility: The Madison County juvenile detention facility may remain open to hold juveniles from Madison County, and the county shall receive the detention subsidy provided for in KRS 635.060(3).

4. STATE POLICE

	2005-06	2006-07	2007-08
General Fund	1,301,200	69,645,800	80,305,900
Restricted Funds	-0-	16,713,900	13,543,600
Federal Funds	-0-	13,444,700	13,444,700
Road Fund	-0-	50,000,000	50,000,000
TOTAL	1,301,200	149,804,400	157,294,200

1 **(1) Call to Extraordinary Duty:** There is appropriated from the General Fund to
2 the Department of State Police, subject to the conditions and procedures provided in this
3 Act, funds which are required as a result of the Governor's call of the Kentucky State
4 Police to extraordinary duty when an emergency situation has been declared to exist by
5 the Governor. Funding is authorized to be provided from the General Fund Surplus
6 Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705).

7 **(2) State Police Authorized Strength:** The Kentucky State Police sworn officer
8 authorized strength is 1,070.

9 **(3) State Police Personnel Training Incentive:** Included in the above Restricted
10 Funds appropriation is sufficient funding for a \$3,100 annual training incentive stipend
11 for state troopers, arson investigators, hazardous devices investigators, and legislative
12 security specialists.

13 **(4) Restricted Funds Uses:** Notwithstanding KRS 42.320(2)(h), 189A.050(3)(a),
14 and 237.110(15), funds are included in the above Restricted Funds appropriation to
15 maintain the operations and administration of the Kentucky State Police.

16 **(5) Dispatcher Training Incentive:** Included in the above General Fund
17 appropriation is sufficient funding for a \$3,100 annual training incentive stipend for
18 dispatchers.

19 **(6) Statewide Mobile Data Infrastructure:** Included in the above General Fund
20 appropriation is \$1,000,000 in each fiscal year for the upkeep and maintenance of the
21 statewide mobile data infrastructure. The Justice and Public Safety Cabinet shall allow
22 any local or state first responding agency to use the system provided it complies with all
23 applicable state standards for the system's uses. The Justice and Public Safety Cabinet
24 shall not charge any first responding agency for using the system, maintenance, or any
25 other fee related to connections, infrastructure upkeep, or maintenance

26 **5. CORRECTIONS**

27 **a. Corrections Management**

1		2006-07	2007-08
2	General Fund	7,253,600	7,119,700
3	Restricted Funds	15,693,100	15,843,700
4	TOTAL	22,946,700	22,963,400

5 **(1) Debt Service:** Included in the above General Fund appropriation is \$82,000 in
6 fiscal year 2007-2008 to provide debt service to support new bonds as set forth in Part II,
7 Capital Projects Budget, of this Act.

8 **(2) Appropriations Adjustments:** The General Assembly has determined that
9 the Department of Corrections shall be permitted to adjust appropriations between the
10 Community Services and Local Facilities budget unit and the Adult Correctional
11 Institutions budget unit in fiscal year 2006-2007 and fiscal year 2007-2008. Only
12 adjustments necessary to manage the diverse mix of inmate classifications, custody
13 levels, probation and parole caseloads, and population increases and/or decreases shall be
14 permitted. Any appropriations transferred or otherwise directed between these
15 appropriation units shall be documented and justified in writing. No adjustments may be
16 made except upon the prior written concurrence of the State Budget Director. The State
17 Budget Director shall report the adjustments and the necessity of the adjustments to the
18 Interim Joint Committee on Appropriations and Revenue.

19 **(3) Jailer Mental Health Screening Training:** The Kentucky Commission on
20 Services and Supports for Individuals with Mental Illness, Alcohol and Other Drug Abuse
21 Disorders, and Dual Diagnoses shall, in its annual review of the Commission plan,
22 include in its duties recommendations for improvements in identifying, treating, housing,
23 and transporting prisoners in jails and juveniles in detention centers with mental illness.
24 Items to be reviewed shall include but not be limited to recommendations for statutory
25 and regulatory changes, training and treatment funding, cost sharing, housing and
26 transportation costs, appropriate treatment sites, and training requirements for local jailers
27 and other officers of the court who may come in contact with persons incarcerated or in

1 detention but deemed mentally ill.

2 The training shall continue to be delivered by Regional Mental Health/Mental
3 Retardation Board staff to new jailers and new jail staff, except administrative support, on
4 screening and responding to the needs of inmates with mental illness within six months of
5 employment. Treatment services may also be provided for within this funding allocation.

6 **b. Adult Correctional Institutions**

	2006-07	2007-08
8 General Fund	232,200,900	239,190,200
9 Restricted Funds	5,435,200	5,435,200
10 Federal Funds	1,706,600	1,706,600
11 TOTAL	239,342,700	246,332,000

12 **(1) Education Programs at Department of Corrections Facilities:** The
13 Kentucky Community and Technical College System (KCTCS) shall provide adult basic
14 education classes for the Department of Corrections which are aimed toward acquiring a
15 general educational diploma (GED) and various technical trades aimed toward providing
16 students with certifications and/or diplomas upon completion of qualifying examinations.

17 **c. Community Services and Local Facilities**

	2006-07	2007-08
19 General Fund	114,496,600	130,140,300
20 Restricted Funds	4,369,000	1,869,000
21 Federal Funds	75,000	75,000
22 TOTAL	118,940,600	132,084,300

23 **(1) Excess Local Jail Per Diem Costs:** In the event that actual local jail per diem
24 payments exceed the amounts provided to support the budgeted average daily population
25 of state felons in county jails for fiscal year 2006-2007 and fiscal year 2007-2008, the
26 payments shall be deemed necessary government expenses and may be paid from the
27 General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account

1 (KRS 48.705), subject to notification as to necessity and amount by the State Budget
 2 Director who shall report any certified expenditure to the Interim Joint Committee on
 3 Appropriations and Revenue.

4 **(2) Local Jails Funding:** Notwithstanding KRS 441.605 to 441.695, funds in the
 5 amount of \$4,000,000 in fiscal year 2006-2007 and \$1,500,000 in fiscal year 2007-2008
 6 shall be expended from the Kentucky Local Correctional Facilities Construction
 7 Authority for local correctional facility and operational support consistent with
 8 contractual covenants in accordance with bond indentures of the Authority.

9 **(3) Local Jail Per Diem Increase:** Included in the above General Fund
 10 appropriation is \$1,000,000 in each fiscal year to provide an increase of the per diem rate
 11 paid to counties for housing state inmates.

12 **(4) Intensive Secured Substance Abuse Recovery Program:** Funds provided
 13 for local jail per diem payments and for halfway house payments may also be used for the
 14 establishment and operation of an intensive secured substance abuse recovery program
 15 for substance abusers who have been charged with a felony offense. In the event that
 16 actual local jail per diem payments or the halfway house payments exceed the amounts
 17 provided to support the budgeted average daily population of state felons in county jails
 18 or in halfway houses for fiscal year 2006-2007 and fiscal year 2007-2008, the payments
 19 shall be deemed necessary government expenses and may be paid from the General Fund
 20 Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS
 21 48.705), subject to notification as to necessity and amount by the State Budget Director
 22 who shall report any certified expenditure to the Interim Joint Committee on
 23 Appropriations and Revenue.

24 **d. Local Jail Support**

25		2006-07	2007-08
26	General Fund	16,236,100	16,236,100

27 **(1) Inmate Medical Care Expenses:** Included in the above General Fund

appropriation is \$931,100 in fiscal year 2006-2007 and \$931,100 in fiscal year 2007-2008 for medical care contracts to be distributed, upon approval of the Department of Corrections, to counties by the formula codified in KRS 441.206, and \$295,900 in fiscal year 2006-2007 and \$295,900 in fiscal year 2007-2008, on a partial reimbursement basis, for medical claims in excess of the statutory threshold pursuant to KRS 441.045. The funding support for medical contracts and catastrophic medical expenses for indigents shall be maintained in discrete accounts. Any medical claim which exceeds the statutory threshold may be reimbursed for that amount in excess of the statutory threshold. In no event shall this apply to expenses of an elective, as opposed to emergency, basis and expenses shall be paid according to the Kentucky Medical Assistance Schedule.

(2) Local Jail Support: Included in the above General Fund appropriation is \$960,000 in each year of the biennium to provide a monthly payment of an annual amount of \$20,000 to each county with a life safety jail or a closed jail. The payment shall be in addition to the monthly payment required by KRS 441.206(2).

TOTAL - CORRECTIONS

	2006-07	2007-08
General Fund	370,187,200	392,686,300
Restricted Funds	25,497,300	23,147,900
Federal Funds	1,781,600	1,781,600
TOTAL	397,466,100	417,615,800

6. VEHICLE ENFORCEMENT

	2006-07	2007-08
Restricted Funds	1,666,300	1,043,500
Federal Funds	5,162,400	5,162,200
Road Fund	13,974,900	13,881,500
TOTAL	20,803,600	20,087,200

(1) Vehicle Enforcement Officers' Training Incentive: Included in the above

1 Restricted Funds appropriation is sufficient funding to provide a \$3,100 annual training
 2 incentive stipend for vehicle enforcement officers.

3 **7. PUBLIC ADVOCACY**

	2006-07	2007-08
4 General Fund	29,770,700	31,886,400
5 Restricted Funds	6,815,500	4,455,800
6 Federal Funds	1,618,300	1,663,100
7 TOTAL	38,204,500	38,005,300

9 **(1) Compensatory Leave Conversion to Sick Leave:** If the Department of
 10 Public Advocacy determines that internal budgetary pressures warrant further austerity
 11 measures, the Public Advocate may institute a policy to suspend payment of 50 hour
 12 blocks of compensatory time for those attorneys who have accumulated 240 hours of
 13 compensatory time and instead to convert those hours to sick leave.

14 **TOTAL - JUSTICE AND PUBLIC SAFETY CABINET**

	2005-06	2006-07	2007-08
15 General Fund (Tobacco)	-0-	1,816,800	1,923,400
16 General Fund	1,301,200	567,406,300	604,549,900
17 Restricted Funds	602,000	112,600,400	104,975,700
18 Federal Funds	-0-	48,266,600	47,500,600
19 Road Fund	-0-	63,974,900	63,881,500
20 TOTAL	1,903,200	794,065,000	822,831,100

22 **J. PERSONNEL CABINET**

23 **1. GENERAL OPERATIONS**

	2006-07	2007-08
24 General Fund	1,805,600	932,200
25 Restricted Funds	19,569,900	20,785,200
26 TOTAL	21,375,500	21,717,400

(1) **Flexible Benefit Account:** Notwithstanding KRS 18A.225(2)(g), any funds from the calendar year 2005 and calendar year 2006 public employee health insurance program accruing to the Flexible Benefit Account, not otherwise appropriated in fiscal year 2006-2007 and in fiscal year 2007-2008, and in excess of the amount reflected in Part V, Funds Transfer, of this Act shall be credited to the General Fund Surplus Account.

(2) **Public Employees Self-Insured Health Insurance Premiums:** Beginning with the employer premium due for coverage effective July 1, 2006, under the Public Employees Self-Insured Health Insurance Program, the employer rate shall be reduced by 12 percent for the balance of Plan Year 2006. For Plan Year 2007, the increase in employer and employee premiums for coverage under the Public Employees Self-Insured Health Insurance Program shall not exceed 10.4 percent for the Essential Plan and 9 percent for the Enhanced and Premier Plan over the Plan Year 2006 rates as adjusted by this Act.

2. PUBLIC EMPLOYEES DEFERRED COMPENSATION AUTHORITY

	2006-07	2007-08
Restricted Funds	6,009,200	6,172,400

3. WORKERS' COMPENSATION BENEFITS AND RESERVE

	2006-07	2007-08
Restricted Funds	24,798,500	26,204,400

4. STATE SALARY AND COMPENSATION FUND

	2006-07	2007-08
General Fund	8,000,000	24,000,000

(1) **Employee Compensation:** The above General Fund appropriation provides a pool of funds to be allocated in accordance with the procedures contained in Part IV, State Salary/Compensation and Employment Policy, of this Act. Included in the above \$8,000,000 General Fund appropriation in fiscal year 2006-2007 is \$3,842,500 which

1 shall not be allocated, transferred, or expended and shall continue into fiscal year 2007-
2 2008 and shall only be expended in that fiscal year for this same purpose.

3 **5. STATE GROUP HEALTH INSURANCE FUND**

4		2006-07	2007-08
5	General Fund	2,476,000	2,476,000

6 **(1) Group Health Insurance:** The above General Fund appropriation is provided
7 to support a dependent subsidy for full-time employees of quasi-governmental employers,
8 excluding state agencies, participating in the State Group Health Insurance program. To
9 participate in this fund, each quasi-governmental employer must certify to the Secretary
10 of the Personnel Cabinet that no funds received from the pool are being utilized to fund
11 any benefits for persons other than full-time employees.

12 **TOTAL - PERSONNEL CABINET**

13		2006-07	2007-08
14	General Fund	12,281,600	27,408,200
15	Restricted Funds	50,377,600	53,162,000
16	TOTAL	62,659,200	80,570,200

17 **K. POSTSECONDARY EDUCATION**

18 **Budget Units**

19 **1. COUNCIL ON POSTSECONDARY EDUCATION**

20		2006-07	2007-08
21	General Fund (Tobacco)	4,431,200	4,691,200
22	General Fund	56,931,200	95,120,700
23	Restricted Funds	6,610,700	6,527,900
24	Federal Funds	19,099,400	19,099,400
25	TOTAL	87,072,500	125,439,200

26 **(1) Debt Service:** Included in the above General Fund appropriation is
27 \$27,442,000 in fiscal year 2007-2008 for debt service to support new bonds for capital

1 projects at the colleges and universities as set forth in Part II, Capital Projects Budget, of
2 this Act.

3 **(2) Debt Service:** Included in the above General Fund appropriation is \$551,000
4 in fiscal year 2007-2008 for debt service to support new bonds for Research Support -
5 Lab Renovation, Fit-up and Equipment at the University of Kentucky and the University
6 of Louisville.

7 **(3) Debt Service:** Included in the above General Fund appropriation is \$917,000
8 in fiscal year 2007-2008 for debt service to support new bonds for Information
9 Technology and Equipment Acquisitions.

10 **(4) Carry Forward of General Fund Appropriation Balance:** Notwithstanding
11 KRS 45.229, the General Fund appropriation in fiscal year 2005-2006 and fiscal year
12 2006-2007 to the Adult Education and Literacy Funding Program shall not lapse and shall
13 carry forward.

14 Notwithstanding KRS 45.229, the General Fund appropriation in fiscal year 2005-
15 2006 and fiscal year 2006-2007 to the Science and Technology Funding Program shall
16 not lapse and shall carry forward.

17 **(5) Strategic Investment and Incentive Trust Funds Interest Income:**
18 Notwithstanding KRS 164.7911, 164.7913, 164.7915, 164.7917, 164.7919, 164.7921,
19 164.7923, 164.7925, and 164.7927, interest earnings in the amount of \$393,900 in fiscal
20 year 2006-2007 and \$393,900 in fiscal year 2007-2008 shall be transferred from Strategic
21 Investment and Incentive Trust Fund accounts included under these statutes to Agency
22 Revenue accounts within the Council on Postsecondary Education budget unit in the
23 following amounts and for the following specified purposes: \$105,500 in each year of the
24 biennium for the Minority Student College Preparation Program; \$188,400 in each year
25 of the biennium for the Southern Regional Board Doctoral Scholars Program; and
26 \$100,000 in each year of the biennium for the P-16 Council/Early Math Testing
27 Programs.

1 **(6) Interest Earnings Transfer from the Strategic Investment and Incentive**
2 **Trust Fund Accounts:** Notwithstanding KRS 164.7911, 164.7913, 164.7915, 164.7917,
3 164.7919, 164.7921, 164.7923, 164.7925, and 164.7927, any expenditures from the
4 Strategic Investment and Incentive Trust Fund accounts in excess of appropriated
5 amounts by the Council on Postsecondary Education shall be subject to KRS 48.630.

6 **(7) Kentucky Science and Technology Corporation:** Notwithstanding KRS
7 164.6017(2), the Kentucky Science and Technology Corporation shall administer the
8 Rural Innovation, the Research and Development, and the Commercialization Funds.

9 **(8) Ovarian Cancer:** Notwithstanding KRS 164.476, General Fund (Tobacco)
10 dollars in the amount of \$775,000 in each fiscal year shall be allotted from the Lung
11 Cancer Research Fund to the Ovarian Cancer Screening Outreach Program at the
12 University of Kentucky.

13 **(9) Regional Stewardship Funding Program:** Included in the above General
14 Fund appropriation is \$1,200,000 in fiscal year 2006-2007 and \$3,600,000 in fiscal year
15 2007-2008 for the Regional Stewardship Funding Program. The funds will be allocated
16 among the six public comprehensive universities in equal amounts of \$800,000 per
17 institution. Funds will be used for Regional Stewardship priorities related to collaboration
18 with public elementary and secondary schools and regional economic development
19 initiatives. Allocated funds will be distributed upon submission and approval of a
20 strategic plan which determines stewardship priorities. Each institution shall submit a
21 strategic plan for stewardship activities in priority areas. to the Council on Postsecondary
22 Education by close of business January 1, 2007. Within 30 days of receipt of the
23 proposals, the Council on Postsecondary Education shall advise the institutions of any
24 non-compliance or non-conformity and shall work with the institution to help them
25 qualify for the grant. Once distributed, these funds will become recurring to the
26 institutions. Each institution shall submit an annual report to the Council on
27 Postsecondary Education and to Interim Joint Appropriations and Revenue Committee by

September 1 of each year. The report should include descriptions of stewardship initiatives implemented, use of funds for each initiative, and outcomes of the initiatives.

(10) Postsecondary Education Debt: Notwithstanding KRS 45.750 to 45.810, in order to lower the cost of borrowing, any university that has heretofore issued or caused to be issued debt obligations through a not-for-profit corporation or a municipality or county government for which the rental or use payments of the university substantially meet the debt service requirements of those debt obligations is authorized to refinance those debt obligations if the principal amount of the debt obligations is not increased and the rental payments of the university are not increased. Any funds used by a university to make debt obligations issued by university pursuant to this authorization shall be subject to interception of state appropriated funds pursuant to KRS 164A.608.

(11) Postsecondary Education Employment Status: Notwithstanding KRS 164.225, 164.360, and 164.830, the appointment of a relative to the governing board of a public postsecondary education institution, as defined in KRS 164.001, shall not affect the employment status of any related person employed at least 36 months prior to the appointment of the relative.

2. KENTUCKY HIGHER EDUCATION ASSISTANCE AUTHORITY

	2006-07	2007-08
General Fund (Tobacco)	800,000	900,000
General Fund	164,624,300	174,304,900
Restricted Funds	39,044,500	36,219,300
Federal Funds	1,726,000	1,726,000
TOTAL	206,194,800	213,150,200

(1) College Access Program: Notwithstanding KRS 154A.130(4), included in the above General Fund appropriation is \$58,427,800 in fiscal year 2006-2007 and \$60,462,000 in fiscal year 2007-2008 for the College Access Program.

(2) Kentucky Tuition Grant Program: Notwithstanding KRS 154A.130(4),

1 included in the above General Fund appropriation is \$30,270,100 in fiscal year 2006-
2 2007 and \$32,476,200 in fiscal year 2007-2008 for the Kentucky Tuition Grant Program.
3 All grants shall be awarded pursuant to KRS 164.785, and the applicant must be accepted
4 by or enrolled as a full-time student at a Kentucky independent college or university
5 which is accredited by the Southern Association of Colleges and Schools.

6 **(3) Teacher Scholarship Program:** Notwithstanding KRS 154A.130(4),
7 included in the above General Fund appropriation is \$1,777,100 in fiscal year 2006-2007
8 and \$1,777,100 in fiscal year 2007-2008 for the Teacher Scholarship Program.

9 **(4) Tobacco Settlement Funds:** Included in the above General Fund (Tobacco)
10 appropriation is \$800,000 in fiscal year 2006-2007 and \$900,000 in fiscal year 2007-2008
11 for Early Childhood Scholarships.

12 **(5) Kentucky National Guard Tuition Assistance Program:** Included in the
13 above Restricted Funds appropriation is \$4,500,000 in fiscal year 2006-2007 and
14 \$5,220,000 in fiscal year 2007-2008 for the Kentucky National Guard Tuition Assistance
15 Program.

16 **(6) Kentucky Education Excellence Scholarships (KEES):** Notwithstanding
17 KRS 154A.130(4), included in the above General Fund appropriation is \$73,125,000 in
18 fiscal year 2006-2007 and \$77,565,300 in fiscal year 2007-2008 for the Kentucky
19 Educational Excellence Scholarships (KEES). Included in the above Restricted Funds
20 appropriation for KEES is \$14,909,100 in fiscal year 2006-2007 and \$11,345,800 in
21 fiscal year 2007-2008.

22 **(7) Pharmacy Scholarship Program:** Included in the above General Fund
23 appropriation is \$1,000,000 in fiscal year 2007-2008 for the Pharmacy Scholarship
24 Program as set forth in Part XXIV, Pharmacy Scholarship Program, of this Act.

25 **(8) Transactions Involving Property and Assets:** Notwithstanding any statute
26 to the contrary, the Kentucky Higher Education Assistance Authority and the Higher
27 Education Student Loan Corporation either jointly or separately, shall obtain

authorization from the General Assembly prior to entering into any agreement, transaction, or series of agreements which would result in the transfer of ownership or ultimate managerial decision-making authority regarding the control and investment performance of its property and assets. Nothing contained herein shall prohibit the Kentucky Higher Education Assistance Authority and the Higher Education Student Loan Corporation, either jointly or separately, from, in the usual and regular course of business, pledging or assigning their revenues and assets to: improve financial positions, secure obligations, satisfy pledge or trust agreements, or comply with an order of a court of competent jurisdiction.

3. EASTERN KENTUCKY UNIVERSITY

	2006-07	2007-08
General Fund	77,924,000	80,230,200
Restricted Funds	139,565,300	144,065,300
Federal Funds	57,172,800	57,172,800
TOTAL	274,662,100	281,468,300

(1) Debt Service: Included in the above General Fund appropriation is \$3,030,200 in fiscal year 2006-2007 and \$468,800 in fiscal year 2007-2008 for debt service for previously issued bonds.

(2) Community Operations Board: Included in the above General Fund appropriation is \$200,000 in fiscal year 2006-2007 and \$200,000 in fiscal year 2007-2008 to provide funds to the Community Operations Board for personnel and programmatic operations of the conferencing, meeting, and community areas, and the performing arts center located in Business/Technology Center, Phase II.

The Business/Technology Building, Phase II shall be governed by the Community Operations Board. The Community Operations Board shall consist of 13 members to be appointed as follows: Six by the President of Eastern Kentucky University, four by the Madison County judge/executive, two by the mayor of the City of Richmond, and one by

1 the mayor of the City of Berea. Three of the members appointed by the President of
 2 Eastern Kentucky University will serve two year terms and three will serve a one year
 3 term. Two of the members appointed by the Madison County judge/executive will serve
 4 two year terms and two will serve a one year term. One member appointed by the mayor
 5 of the City of Richmond will serve a two year term and one will serve a one year term.
 6 The member appointed by the mayor of the City of Berea will serve a two year term.
 7 Members of the board will serve without compensation and will not be reimbursed for
 8 expenses incurred in performance of their duties. At the first meeting of the fiscal year,
 9 the board shall elect a chairman and a vice chairman. The board will establish policies
 10 and procedures for board operations and for facility use. The board will make all
 11 decisions regarding use of the Business/Technology Building, Phase II including the
 12 conferencing and community areas and the performing arts center and will make all
 13 decisions regarding personnel and programmatic operations of the conferencing and
 14 community areas and the performing arts center. The board is attached to Eastern
 15 Kentucky University for administrative purposes, and the university shall provide all
 16 facility maintenance and operations costs.

17 **4. KENTUCKY STATE UNIVERSITY**

18		2006-07	2007-08
19	General Fund	27,500,700	28,349,000
20	Restricted Funds	23,375,700	23,375,700
21	Federal Funds	14,296,000	14,296,000
22	TOTAL	65,172,400	66,020,700

23 **(1) Debt Service:** Included in the above General Fund appropriation is \$892,200
 24 in fiscal year 2006-2007 and \$907,300 in fiscal year 2007-2008 for debt service for
 25 previously issued bonds.

26 **(2) Blazer Library:** Included in the above General Fund appropriation is
 27 \$500,000 in fiscal year 2006-2007 and \$500,000 in fiscal year 2007-2008 to purchase

1 books and periodicals for Blazer Library.

2 **5. MOREHEAD STATE UNIVERSITY**

3		2006-07	2007-08
4	General Fund	45,462,600	48,697,600
5	Restricted Funds	62,467,400	62,754,000
6	Federal Funds	51,201,000	50,897,700
7	TOTAL	159,131,000	162,349,300

8 **(1) Debt Service:** Included in the above General Fund appropriation is
 9 \$1,409,500 in fiscal year 2006-2007 and \$495,500 in fiscal year 2007-2008 for debt
 10 service for previously issued bonds.

11 **6. MURRAY STATE UNIVERSITY**

12		2006-07	2007-08
13	General Fund	55,278,600	56,068,700
14	Restricted Funds	74,587,600	79,864,500
15	Federal Funds	14,886,900	14,886,900
16	TOTAL	144,753,100	150,820,100

17 **(1) Debt Service:** Included in the above General Fund appropriation is
 18 \$1,909,100 in fiscal year 2006-2007 for debt service for previously issued bonds.

19 **7. NORTHERN KENTUCKY UNIVERSITY**

20		2006-07	2007-08
21	General Fund	53,876,000	55,330,000
22	Restricted Funds	112,204,400	118,886,200
23	Federal Funds	14,331,400	14,331,400
24	TOTAL	180,411,800	188,547,600

25 **(1) Debt Service:** Included in the above General Fund appropriation is
 26 \$5,013,300 in fiscal year 2006-2007 and \$230,500 in fiscal year 2007-2008 for debt
 27 service for previously issued bonds.

1 **(2) Center for Mathematics:** Included in the above General Fund appropriation
 2 is \$1,000,000 in fiscal year 2006-2007 and \$1,500,000 in fiscal year 2007-2008 for the
 3 Center for Mathematics.

4 **8. UNIVERSITY OF KENTUCKY**

	2006-07	2007-08
6 General Fund	318,567,900	335,016,500
7 Restricted Funds	1,238,551,300	1,298,377,600
8 Federal Funds	171,613,900	177,404,300
9 TOTAL	1,728,733,100	1,810,798,400

10 **(1) Debt Service:** Included in the above General Fund appropriation is
 11 \$5,867,700 in fiscal year 2006-2007 and \$1,546,600 in fiscal year 2007-2008 for debt
 12 service for previously issued bonds for the University of Kentucky and \$754,900 in fiscal
 13 year 2006-2007 and \$398,900 in fiscal year 2007-2008 for debt service for previously
 14 issued bonds for Lexington Community College.

15 **(2) Adolescent Medicine and Young Parent Programs and Rape Crisis**
 16 **Center:** Included in the above General Fund appropriation is \$150,000 in fiscal year
 17 2006-2007 and \$150,000 in fiscal year 2007-2008 for the Adolescent Medicine and
 18 Young Parent Programs and the Rape Crisis Center.

19 **(3) Cooperative Extension Agents:** The University of Kentucky is encouraged to
 20 provide funding in fiscal year 2006-2007 and fiscal year 2007-2008 to the Cooperative
 21 Extension Service to support the County Extension Enhancement Initiative. This
 22 initiative provides salary adjustments for County Extension Agents. These adjustments
 23 are in addition to any other salary adjustments which may be made.

24 **(4) Lexington Arboretum:** The University of Kentucky is encouraged to provide
 25 funding in fiscal year 2007-2008 for the arboretum.

26 **(5) Bath County Cooperative Extension:** The University of Kentucky is
 27 encouraged to provide funding in fiscal year 2007-2008 for the Bath County Cooperative

1 Extension Education and Marketing Center.

2 **(6) Greenup County Cooperative Extension:** The University of Kentucky is
3 encouraged to provide funding in fiscal year 2007-2008 for the Arts and Music program
4 offered through the Greenup County Extension Service.

5 **(7) Center for Research on Violence Against Women:** Included in the above
6 General Fund appropriation is \$150,000 in fiscal year 2006-2007 and \$150,000 in fiscal
7 year 2007-2008 for the Center for Research on Violence Against Women.

8 **(8) Kentucky Geological Survey:** Included in the above General Fund
9 appropriation is \$250,000 in fiscal year 2007-2008 from the General Fund portion of the
10 Natural Gas Severance Tax after the statutory distribution required by KRS 42.450(2),
11 and included in the above Restricted Funds appropriation is \$250,000 in fiscal year 2007-
12 2008 from the Local Government Economic Development Fund, Multi-County Fund, for
13 the Kentucky Geological Survey.

14 **(9) West Liberty Technical Center:** The University of Kentucky is encouraged
15 to provide funding in fiscal year 2007-2008 for maintenance and operations of the West
16 Liberty Technical Center.

17 **9. UNIVERSITY OF LOUISVILLE**

	2006-07	2007-08
18 General Fund	187,484,800	191,346,100
19 Restricted Funds	445,336,100	502,019,800
20 Federal Funds	136,481,300	156,953,600
21 TOTAL	769,302,200	850,319,500

22
23 **(1) Debt Service:** Included in the above General Fund appropriation is
24 \$10,951,200 in fiscal year 2006-2007 and \$3,791,500 in fiscal year 2007-2008 for debt
25 service for previously issued bonds.

26 **(2) Quality and Charity Care Trust Agreement:** Included in the above General
27 Fund appropriation is \$18,408,100 in fiscal year 2006-2007 and \$18,982,300 in fiscal

year 2007-2008 to fulfill the Commonwealth's contractual obligation relating to indigent care furnished via the Quality and Charity Care Trust Agreement.

Notwithstanding KRS 45.229, the General Fund appropriation related to the Quality and Charity Trust Agreement in fiscal year 2006-2007 shall not lapse.

(3) Saturday Academy Program: The University of Louisville is encouraged to provide funding for the Saturday Academy Program.

(4) Louisville Signature Partnership Program: The University of Louisville is encouraged to provide funding for the Louisville Signature Partnership Program.

(5) Equine Industry Program: Included in the above General Fund appropriation is \$300,000 in fiscal year 2006-2007 and \$300,000 in fiscal year 2007-2008 for the Equine Industry Program.

10. WESTERN KENTUCKY UNIVERSITY

	2006-07	2007-08
General Fund	80,224,200	86,396,200
Restricted Funds	175,046,300	183,059,600
Federal Funds	40,428,600	42,390,300
TOTAL	295,699,100	311,846,100

(1) Debt Service: Included in the above General Fund appropriation is \$3,171,000 in fiscal year 2006-2007 and \$1,280,600 in fiscal year 2007-2008 for debt service for previously issued bonds.

(2) Kentucky Academy of Math and Science: Included in the General Fund appropriation is \$500,000 in fiscal year 2006-2007 and \$2,800,000 in fiscal year 2007-2008 for operating costs of the Kentucky Academy of Math and Science.

11. KENTUCKY COMMUNITY AND TECHNICAL COLLEGE SYSTEM

	2006-07	2007-08
General Fund	212,926,800	226,331,100
Restricted Funds	273,623,700	292,823,500

1	Federal Funds	144,916,100	153,070,400
2	TOTAL	631,466,600	672,225,000

3 **(1) Firefighters Foundation Program Fund:** Included in the above Restricted
4 Funds appropriation is \$28,330,500 in fiscal year 2006-2007 and \$29,351,800 in fiscal
5 year 2007-2008 for the Firefighters Foundation Program Fund. Notwithstanding KRS
6 95A.250(1), or the provisions of any other law, supplemental payments for each qualified
7 professional firefighter under the Firefighters Foundation Program Fund shall be \$3,100
8 in fiscal year 2006-2007 and \$3,100 in fiscal year 2007-2008. Notwithstanding KRS
9 95A.200 to 95A.300, \$1,000,000 in fiscal year 2006-2007 and \$1,000,000 in fiscal year
10 2007-2008 from the Firefighters Foundation Program Fund is authorized to be expended
11 on firefighter training, equipment, and support activities. Notwithstanding KRS 95A.200
12 to 95A.300, an additional \$750,000 in fiscal year 2006-2007 and \$1,000,000 in fiscal year
13 2007-2008 from the Firefighters Foundation Program Fund is authorized to be spent on a
14 comprehensive physical aptitude test program for firefighters.

15 **(2) Firefighters Training Center Fund:** Notwithstanding KRS 95A.200 to
16 95A.265, \$500,000 in Restricted Funds is provided each fiscal year of the 2006-2008
17 fiscal biennium for the Firefighters Training Center Fund.

18 **(3) Health Care Coverage:** Included in the above General Fund appropriation is
19 \$1,000,000 in fiscal year 2007-2008 for health care coverage for selected Kentucky
20 Community and Technical College System employees. The University of Kentucky may
21 recover up to \$1,000,000 in fiscal year 2007-2008 from the Kentucky Community and
22 Technical College System for additional costs associated with providing health insurance
23 coverage to those KCTCS employees who remain in the UK personnel system. Such
24 recovery is allowed only to the extent that UK can provide documented proof that the cost
25 of providing health insurance coverage for those KCTCS employees exceeds collected
26 premiums minus deductions for discounts and rebates.

27 **(4) Salary Increases:** It is the intent of General Assembly that employees of

1 KCTCS who are in the UK personnel system shall be treated the same with respect to
2 compensation plans and salary increases implemented by KCTCS as all other employees
3 of KCTCS; specifically, KCTCS shall not utilize the practice of providing lower salary
4 increases to KCTCS employees who are in the UK personnel system by offsetting the
5 money paid to UK for the cost of providing health insurance to these employees.

6 KCTCS shall make no distinction in compensation plans or salary increases among
7 its employees based upon the personnel system to which they belong, except that KCTCS
8 may make up the lower salary increases given in the past to those employees of KCTCS
9 in the UK personnel system which were based upon reimbursing UK for the cost of
10 providing health insurance.

11 **(5) Family Life Skills Center:** The Kentucky Community and Technical College
12 System is encouraged to provide funds for the Family Life Skills Center at Hazard
13 Community and Technical College - Lees College Campus.

14 **(6) Conveyance of Property:** Notwithstanding KRS 164A.575 or KRS Chapter
15 45A, the Kentucky Community and Technical College System may convey fee simple
16 title to certain of its real property located within the City of Covington, Kentucky, to the
17 Gateway Community and Technical College Foundation, a Kentucky not-for-profit
18 corporation, for future consideration as determined reasonable by the President of the
19 Kentucky Community and Technical College System who is hereby authorized to execute
20 all necessary documents and to take all necessary action to complete the foregoing
21 conveyance.

22 **(7) Education Programs at Department of Corrections Facilities:** Included in
23 the above General Fund appropriation is \$5,800,000 in fiscal year 2006-2007 and
24 \$5,800,000 in fiscal year 2007-2008 for education programs at Department of Corrections
25 Facilities. The Kentucky Community and Technical College System (KCTCS) shall
26 continue to be the provider of educational services to the Department of Corrections
27 (DOC). These services include adult basic education classes aimed toward acquiring a

1 general education diploma (GED) and various technical trades aimed toward providing
 2 students with certifications and/or diplomas upon completing qualified examinations. The
 3 faculty and related staff shall remain employees of KCTCS. KCTCS shall determine
 4 curriculum which will facilitate transferability of credits to all Kentucky public
 5 postsecondary institutions. KCTCS faculty and related staff shall abide by all rules and
 6 regulations of the DOC to ensure that DOC's accreditation requirements and
 7 rehabilitation goals are met.

8 **(8) Maintenance and Operations of New Facilities:** Included in the above
 9 General Fund appropriation is \$267,800 in fiscal year 2006-2007 for maintenance and
 10 operation of new facilities coming on-line.

11 **(9) North American Racing Academy:** Included in the above General Fund
 12 appropriation is \$300,000 in fiscal year 2006-2007 for personnel to develop the North
 13 American Racing Academy.

14 **TOTAL - POSTSECONDARY EDUCATION**

15		2006-07	2007-08
16	General Fund (Tobacco)	5,231,200	5,591,200
17	General Fund	1,280,801,100	1,377,191,000
18	Restricted Funds	2,590,413,000	2,747,973,400
19	Federal Funds	666,153,400	702,228,800
20	TOTAL	4,542,598,700	4,832,984,400

21 **L. TRANSPORTATION CABINET**

22 **Budget Units**

23 **1. GENERAL ADMINISTRATION AND SUPPORT**

24		2006-07	2007-08
25	Restricted Funds	26,000	26,000
26	Road Fund	69,217,100	70,072,400
27	TOTAL	69,243,100	70,098,400

1 **(1) Biennial Highway Construction Programs:** The Secretary of Transportation
2 is directed to produce a single document that contains two separately identified sections,
3 as follows:

4 Section 1 shall detail the enacted fiscal biennium 2006-2008 Biennial Highway
5 Construction Program and Section 2 shall detail the Highway Preconstruction Program
6 Plan for fiscal year 2006-2007 through fiscal year 2011-2012 as identified by the 2006
7 General Assembly. This document shall mirror in data type and format the fiscal year
8 2004-2010 Recommended Six-Year Highway Plan as submitted to the 2004 General
9 Assembly. The document shall be published and distributed to members of the General
10 Assembly and the public within 60 days of adjournment of the 2006 Regular Session of
11 the General Assembly.

12 No executive authority shall expend, or otherwise commit in any manner, available
13 fiscal biennium 2006-2008 Road Fund resources for a project designated as a State
14 Project in the fiscal year 2006-2007 through fiscal year 2011-2012 Highway
15 Preconstruction Program Plan. In the event that federally funded projects contained in the
16 enacted fiscal biennium 2006-2008 Biennial Highway Construction Program are delayed
17 due to unforeseen circumstances, or if additional federal funds are received in excess of
18 the amounts contemplated in this Act, the Transportation Cabinet may advance projects
19 from the Highway Preconstruction Program Plan only to the extent required to assure that
20 the Commonwealth makes full use of all available federal funds.

21 The Secretary of the Transportation Cabinet is further directed to report quarterly to
22 the Interim Joint Committee on Appropriations and Revenue and the Interim Joint
23 Committee on Transportation all activity, as prescribed by KRS 176.430, relating to all
24 projects with open activity conducted by the Transportation Cabinet during the biennium
25 including the year each project phase was enacted in a Six-Year Highway Plan. Pursuant
26 to KRS 48.800(5), the Transportation Cabinet shall submit the electronic quarterly report
27 in a format prescribed by the Legislative Research Commission.

Notwithstanding KRS 176.440(2), any project additions or modifications that the 2006 General Assembly may make to the fiscal year 2006-2012 Recommended Six-Year Road Plan shall carry the same force of law as projects that were included in the fiscal year 2006-2012 Recommended Six-Year Road Plan as submitted by the Executive Branch.

(2) Debt Service: Included in the above Road Fund appropriation is \$7,297,800 in fiscal year 2006-2007 and \$7,292,500 in fiscal year 2007-2008 for debt service on previously authorized bonds for the new Transportation Cabinet office building and parking structure.

(3) Adopt-A-Highway Litter Program: The Transportation Cabinet and Environmental and Public Protection Cabinet may receive, accept, and solicit grants, contributions of money, property, labor, or other things of value from any governmental agency, individual, nonprofit organization, or private business to be used for the Adopt-a-Highway Litter Program or other statewide litter programs. Any contribution of this nature shall be deemed to be a contribution to a state agency for a public purpose and shall be treated as Restricted Funds under KRS Chapter 45 and reported according to KRS Chapter 48, and shall not be subject to restrictions set forth under KRS Chapter 11A.

2. AVIATION

	2006-07	2007-08
Restricted Funds	197,000	172,000
Federal Funds	15,000	15,000
Road Fund	4,000,000	4,000,000
TOTAL	4,212,000	4,187,000

(1) Operational Costs: Notwithstanding KRS 183.525(5), the above Restricted Funds appropriation includes operational costs of the program in each fiscal year.

(2) Aviation Projects: The Transportation Cabinet, Aviation Development

1 Program shall prioritize and fund the following airport projects from appropriated Road
 2 Fund resources in the designated fiscal year as included in the 2006-2012 Six Year
 3 Aviation Plan:

4	(a) Bardstown-Nelson County Airport	\$1,200,000
5	(b) Cynthiana-Harrison County Airport	\$500,000
6	(c) Fleming-Mason Airport	\$2,000,000
7	(d) Muhlenberg County Airport	\$1,000,000
8	(e) Ohio County Airport	\$1,000,000
9	(f) Big Sandy Regional Airport	\$2,500,000
10	(g) Leitchfield-Grayson County Airport	\$1,000,000
11	(h) Madison Airport	\$800,000
12	(i) Lebanon-Springfield Airport	\$1,000,000
13	(j) Tompkinsville-Monroe County Airport	\$1,000,000
14	(k) Danville-Boyle County Airport	\$2,000,000
15	(l) Muhlenberg County Airport	\$2,000,000
16	(m) Henderson City County Airport	\$1,000,000
17	(n) Russell County Airport	\$1,500,000
18	(o) Powell County Airport	\$1,000,000
19	(p) Ohio County Airport	\$1,500,000
20	(q) Russellville-Logan County Airport	\$2,000,000
21	(r) Falmouth-Pendleton County Airport	\$1,000,000

22 **(3) Capital City Airport:** No appropriations for the Aviation budget unit or the
 23 Military Affairs budget unit shall be utilized for the purpose of studying, planning, or
 24 construction of additional runways for, or expansion of, the Capital City Airport.

25 **(4) Use of Road Fund Resources:** The Cabinet may utilize an amount not to
 26 exceed \$10,000,000 of its annual Road Fund appropriations for the Department of
 27 Aviation, including but not limited to providing the above authorized financial aid to

governmental units and local air boards for the development, construction, reconstruction, maintenance, and repair of airport runways, aprons, and taxiways at public airports and public use airports as defined in KRS 183.011(20) and (21).

(5) Aviation Plan Project Report: The Secretary of the Transportation Cabinet is directed to report quarterly to the Interim Joint Committee on Appropriations and Revenue and the Interim Joint Committee on Transportation all activity relating to all aviation projects with open activity conducted by the Transportation Cabinet during the biennium including the year each project phase was enacted in a Six Year Aviation Plan. The Transportation Cabinet shall submit the electronic quarterly report in a format prescribed by the Legislative Research Commission.

3. DEBT SERVICE

	2006-07	2007-08
Road Fund	162,710,200	181,143,200

(1) Toll Road Lease-Rental Payments: Included in the above Road Fund appropriation is \$205,100 in fiscal year 2006-2007 and \$80,000 in fiscal year 2007-2008 for toll road lease-rental payments.

(2) Toll Road Termination: The tolls on the Audubon Parkway and the Natcher Parkway shall be terminated during the first year of the biennium when the lease-rental payments on the toll roads are fully paid.

(3) Resource Recovery Road Lease-Rental Payments: Included in the above Road Fund appropriation is \$90,000 in fiscal year 2006-2007 and \$90,000 in fiscal year 2007-2008 for Resource Recovery Road lease-rental payments. The Secretary of the Transportation Cabinet shall use Road Fund resources to meet the lease-rental payments to the Kentucky Turnpike Authority for Resource Recovery Road projects in the amount certified by the Transportation Cabinet, pursuant to KRS 143.090. However, if Road Fund resources are not sufficient to meet lease-rental payments, the additional amount required to meet the obligation shall be transferred from the proceeds of the tax levied on

1 the severance or processing of coal by KRS 143.020.

2 **(4) Economic Development Road Lease-Rental Payments:** Included in the
3 above Road Fund appropriation is \$146,119,100 in fiscal year 2006-2007 and
4 \$148,381,200 in fiscal year 2007-2008 for Economic Development Road lease-rental
5 payments relating to projects financed by Economic Development Road Revenue Bonds
6 previously authorized by the General Assembly and issued by the Kentucky Turnpike
7 Authority.

8 **(5) Economic Development Road Bond Debt Service:** Included in the above
9 Road Fund appropriation is \$16,296,000 in fiscal year 2006-2007 and \$32,592,000 in
10 fiscal year 2007-2008 for Economic Development Road lease-rental payments to the
11 Turnpike Authority of Kentucky relating to projects financed by \$350,000,000 in
12 Economic Development Road Revenue Bonds hereby authorized by the General
13 Assembly to be issued in fiscal year 2006-2007 for payment of the cost of the Economic
14 Development Road Projects.

15 **(6) Excess Lease-Rental Payments:** Any moneys not required to meet lease-
16 rental payments or to meet the administrative costs of the Kentucky Turnpike Authority
17 shall be transferred to the State Construction account.

18 **(7) Debt Payment Acceleration Fund Account:** Notwithstanding KRS 175.505,
19 no portion of the revenues to the state Road Fund provided by the adjustments in KRS
20 138.220(2), excluding KRS 177.320 and 177.365, shall accrue to the Debt Payment
21 Acceleration Fund account during the 2006-2008 fiscal biennium.

22 **4. HIGHWAYS**

23		2005-06	2006-07	2007-08
24	Restricted Funds	-0-	361,842,500	72,686,700
25	Federal Funds	30,085,900	654,147,700	675,013,800
26	Road Fund	-0-	667,409,400	670,193,200
27	Highway Bonds	-0-	350,000,000	-0-

1 TOTAL 30,085,900 2,033,399,600 1,417,893,700

2 **(1) Debt Service:** Included in the above Federal Funds appropriation is
 3 \$15,162,700 in fiscal year 2006-2007 and \$15,126,700 in fiscal year 2007-2008 for debt
 4 service on Grant Anticipation Revenue Vehicle (GARVEE) Bonds appropriated for this
 5 purpose in 2005 Ky. Acts, ch. 173, Part I, L., 4., (16) (HB 267).

6 **(2) New Grant Anticipation Revenue Vehicle (GARVEE) Debt Service:**
 7 Included in the above Federal Funds appropriation is \$34,963,000 in fiscal year 2006-
 8 2007 and \$34,963,000 in fiscal year 2007-2008 for GARVEE Bonds debt service
 9 payments relating to projects financed by \$290,000,000 in GARVEE Bonds hereby
 10 authorized by the General Assembly to be issued in fiscal year 2006-2007 for payment of
 11 the GARVEE Bond road projects.

12 **(3) State Supported Construction Programs:** Included in the above Road Fund
 13 appropriation is \$306,587,500 in fiscal year 2006-2007 and \$300,213,300 in fiscal year
 14 2007-2008 for the State Supported Construction Program.

15 **(4) State Resurfacing Program:** Included in the State Supported Construction
 16 Program is \$80,402,200 in fiscal year 2006-2007 and \$87,320,000 in fiscal year 2007-
 17 2008 from the Road Fund for the State Resurfacing Program.

18 **(5) Biennial Highway Construction Program:** Included in the State Supported
 19 Construction Program is \$188,445,300 in fiscal year 2006-2007 and \$175,153,200 in
 20 fiscal year 2007-2008 from the Road Fund for state construction projects in the fiscal
 21 biennium 2006-2008 Biennial Highway Construction Program. Included in the above
 22 Road Fund appropriation is \$2,500,000 in fiscal year 2006-2007 and \$2,500,000 in fiscal
 23 year 2007-2008 to support the Kentucky Pride Fund created in KRS 224.43-505.

24 **(6) Kentucky Pride Fund Program Report:** The Environmental and Public
 25 Protection Cabinet shall provide to the Interim Joint Committee on Appropriations and
 26 Revenue and the Interim Joint Committee on Transportation a program and financial
 27 status report of all expenditures related to the Kentucky Pride Fund. The status report

1 shall be provided to the Interim Joint Committee on Transportation no later than October
2 1 of each year.

3 **(7) Highway Construction Contingency Account:** Included in the State
4 Supported Construction Program is \$37,740,000 in fiscal year 2006-2007 and
5 \$37,740,000 in fiscal year 2007-2008 for the Highway Construction Contingency
6 Account. Included in the above Road Fund appropriation is \$2,500,000 in fiscal year
7 2006-2007 and \$2,500,000 in fiscal year 2007-2008 to support the Kentucky Pride Fund
8 created in KRS 224.43-505.

9 **(8) 2006-2008 Biennial Highway Construction Plan:** Projects in the enacted
10 2004-2006 Biennial Highway Construction Plan are authorized to continue their current
11 authorization into the 2006-2008 fiscal biennium.

12 **(9) Kentucky Transportation Center:** Notwithstanding KRS 177.320(4),
13 included in the above Road Fund appropriation is \$290,000 in fiscal year 2006-2007 and
14 \$290,000 in fiscal year 2007-2008 for the Kentucky Transportation Center.

15 **(10) New Highway Equipment Purchases:** Notwithstanding KRS 48.710(3),
16 Restricted Funds are appropriated in the amounts of \$1,500,000 in fiscal year 2006-2007
17 and \$1,500,000 in fiscal year 2007-2008 from the sale of surplus equipment to purchase
18 new highway equipment.

19 **(11) State Match Provisions:** The Transportation Cabinet is authorized to utilize
20 state construction moneys or Toll Credits to match federal highway moneys.

21 **(12) Excess Debt Service/Lease-Rental Appropriations:** Any Road Fund
22 appropriations that are not needed to pay lease-rental payments to the Kentucky Turnpike
23 Authority or debt service on the Transportation Cabinet office building shall be credited
24 to the State Construction Account.

25 **(13) Federal Aid Highway Funds:** If additional federal highway moneys are made
26 available to Kentucky by the United States Congress, the funds shall be used according to
27 the following priority: (a) Any demonstration-specific or project-specific money shall be

1 used on the project identified; and (b) All other funds shall be used to ensure that projects
2 in the fiscal biennium 2006-2008 Biennial Highway Construction Plan are funded. If
3 additional federal moneys remain after these priorities are met, the Transportation
4 Cabinet may select projects from the Four-Year Preconstruction Program.

5 **(14) Demonstration Projects:** The Transportation Cabinet is authorized to select
6 up to ten design/build demonstration road related projects. Notwithstanding any
7 conflicting provisions of KRS Chapters 45A, 176, and 177, for procurement purposes, the
8 Transportation Cabinet shall utilize a qualifications-based bidding process within the
9 context of the provisions of KRS Chapter 176. The Secretary of the Transportation
10 Cabinet shall determine the nature and scope of each design/build project.

11 **(15) Road Fund Cash Management:** The Secretary of the Transportation Cabinet
12 is authorized to continue the Cash Management Plan to address the policy of the General
13 Assembly to expeditiously initiate and complete projects in the fiscal biennium 2006-
14 2008 Biennial Highway Construction Plan. Notwithstanding KRS Chapter 45,
15 specifically including KRS 45.242 and 45.244, the Secretary may concurrently advance
16 projects in the Biennial Highway Construction Plan by employing management
17 techniques that maximize the Cabinet's ability to contract for and effectively administer
18 the project work. Under the approved Cash Management Plan, the Secretary is directed to
19 continuously ensure that the unspent project and Road Fund balances available to the
20 Transportation Cabinet are sufficient to meet expenditures consistent with appropriations
21 provided.

22 **(16) Biennial Highway Construction Program:** In the event that federally funded
23 projects contained in the enacted fiscal biennium 2006-2008 Biennial Highway
24 Construction Program are delayed due to unforeseen circumstances, or if additional
25 Federal Funds are received in excess of the amounts contemplated in this Act, the
26 Transportation Cabinet may advance projects from the Highway Preconstruction Program
27 Plan only to the extent required to ensure that the Commonwealth makes full use of all

1 available Federal Funds.

2 **(17) Programmatic Adjustments:** The Secretary of the Transportation Cabinet is
3 authorized to adjust the specific sums comprising the Highways appropriation programs
4 enumerated above for the purposes of enhancing public safety, maximizing available
5 Federal Funds, supporting economic development, and accelerating state construction
6 projects.

7 **(18) Grant Anticipation Revenue Vehicle (GARVEE) Bonds:** Included in the
8 above Restricted Funds appropriation is \$290,000,000 in fiscal year 2006-2007 for
9 GARVEE Bond Funds.

10 **(19) Carry Forward of Appropriation Balances:** Notwithstanding KRS 45.229,
11 unexpended Road Fund, Federal Funds, and Restricted Funds appropriations in the
12 Highways budget unit for the Construction program, the Maintenance program, and the
13 Research program in fiscal year 2005-2006 and fiscal year 2006-2007 shall not lapse and
14 shall carry forward.

15 **(20) Road Fund Support for Aviation:** The Cabinet may utilize an amount not to
16 exceed \$10,000,000 of its annual Road Fund appropriations for the Department of
17 Aviation, including but not limited to providing financial aid to governmental units and
18 local air boards for the development, construction, reconstruction, maintenance, and
19 repair of airport runways, aprons, and taxiways at public airports and public use airports
20 as defined in KRS 183.011(20) and (21), as identified in Part I, L.2., Aviation, of this Act.

21 **(21) Paving and Rehabilitation:** The Kentucky Transportation Cabinet is
22 encouraged to provide grading and paving rehabilitation efforts on I-64 from Grayson to
23 the West Virginia border at the level equal to that accomplished on I-64 in Bath County,
24 Rowan County, and the remainder of Carter County.

25 **(22) Interlocal Agreement:** Any local government may be permitted to enter into
26 a cooperative agreement with the Transportation Cabinet to maintain traffic control
27 devices on state maintained roads within the local government's jurisdiction and shall be

reimbursed by the Transportation Cabinet for the actual cost of such maintenance. The agreement may permit local governments to make temporary repairs to state maintained road surfaces within the local government's jurisdiction and shall be reimbursed by the Transportation Cabinet for the actual cost of the temporary repairs.

(23) Rest Area Closure: Notwithstanding KRS 177.240, the Transportation Cabinet may close the following five rest area sites:

(a) Hart County - One site located on I-65 southbound at milepost 55.1;

(b) Hardin County - Two sites located on I-65 northbound and southbound at milepost 81.0;

(c) Madison County - Two sites located on I-75 northbound and southbound at milepost 82.3.

(24) Pavement Management: The Secretary of the Transportation Cabinet may implement a Pavement Management Program to promote pavement preventive maintenance and maintain a higher level of pavement quality between resurfacing cycles. The Transportation Cabinet may expend an amount not to exceed \$8,000,000 for this purpose for the 2006-2008 biennium.

(25) Miscellaneous Road Fund Projects: The Transportation Cabinet may undertake the following miscellaneous road projects, using the suggested Road Fund allocations contained therein:

(a) Campbell County Street Reconstruction: Reconstruct Chateau Drive in Dayton, Kentucky, for \$100,000 from the Highway Construction Contingency Account in fiscal year 2006-2007;

(b) Clark County Resurfacing: Resurface KY 15 from milepost 0 to 4.216 near Crow Ridge Road in Clark County for \$280,000 from Road Fund resources in fiscal year 2006-2007;

(c) Fayette County Traffic Control Device: Add a left turn signal to both sides of the traffic control signal at the intersection of Russell Cave Road and Asbury Lane in

1 Lexington, Fayette County, Kentucky before November 2006, to be paid from Road Fund
2 resources;

3 (d) Fayette County Traffic Control Device: Install a traffic light at Helmsdale and
4 Man-O-War for \$20,000 from Road Fund resources in fiscal year 2006-2007;

5 (e) Fayette County Traffic Control Device: Install a traffic light at Todds Road
6 and Autumn Ridge for \$20,000 from Road Fund resources in fiscal year 2006-2007;

7 (f) Floyd County Traffic Control Device: Install a traffic control device on KY 80
8 at Duff Elementary School in Floyd County for \$20,000 from Road Fund resources in
9 fiscal year 2006-2007;

10 (g) Franklin County Tunnel Maintenance: Implement a tunnel clearance project
11 adjacent to the Kentucky River for \$500,000 from the Highway Construction
12 Contingency Account in fiscal year 2006-2007;

13 (h) Hopkins County Sidewalks: Construct sidewalks on US 41, South Main Street
14 in the City of Madisonville for \$390,000 from the Highway Construction Contingency
15 Account in fiscal year 2007-2008;

16 (i) Jefferson County, Louisville Kennedy Bridge: The Transportation Cabinet
17 shall complete the painting of the Kennedy Bridge on Interstate 65 in Louisville,
18 Kentucky within the current biennium;

19 (j) Jefferson County Traffic Control Device: Install a traffic control device at the
20 intersection of Rockford Lane and Dover Road in Jefferson County, Shively, Kentucky
21 for \$25,000 from Road Fund resources in fiscal year 2006-2007;

22 (k) Jefferson County Sound Barriers: A sound barrier shall be installed on the
23 north side of I-264/Watterson Expressway from the west side of the Newburg Interchange
24 going west 1,500 feet. The cost related to the installation of the sound barrier shall be
25 funded for \$650,000 from the Highway Construction Contingency Account in fiscal year
26 2006-2007;

27 (l) Jefferson County Bridge Preservation: Restore and reconstruct the historic

1 bridge on Old Taylorsville Road over Chenoweth Run Creek, for \$210,000 from the
2 Municipal Bond Pool;

3 (m) Jessamine County Resurfacing: Resurface KY 1541 from milepost 6.936 near
4 Sulphur Well Road to KY 39 at milepost 9.668 near Logana Road in Jessamine County
5 for \$136,000 from the Highway Construction Contingency Account in fiscal year 2006-
6 2007;

7 (n) Kenton County Traffic Control Device: Install a traffic control device at the
8 intersection of Oak and Adella in the City of Ludlow for \$20,000 from Road Fund
9 resources in fiscal year 2006-2007;

10 (o) Menifee County Resurfacing: Resurface last 0.5 miles of Carrington Green
11 Road at the Bath County line for \$10,000 from Road Fund resources in fiscal year 2006-
12 2007;

13 (p) Rowan County Street and Parking Improvements: Improve streets and parking
14 in the City of Morehead for \$150,000 from the Highway Construction Contingency
15 Account in fiscal year 2006-2007;

16 (q) Russell County Guardrail Installation: Install approximately 500 feet of
17 guardrail on KY 1058 between mile marker 2 and 3 in Russell County, to be paid from
18 Road Fund resources;

19 (r) Russell County Bridge Replacement: Replace the bridge on Payne Road in
20 Russell County for \$100,000 from Road Fund resources in fiscal year 2006-2007;

21 (s) Simpson County Resurfacing: Resurface Cedar Bluff Road in Simpson
22 County beginning at US 31W to the Warren County line for \$110,000 from the Highway
23 Construction Contingency Account in fiscal year 2006-2007;

24 (t) Simpson County Widening and Resurfacing: Widen and resurface Rapids-
25 Hickory Flat Road in Simpson County for \$143,000 from the Highway Construction
26 Contingency Account in fiscal year 2006-2007;

27 (u) Simpson County Widening and Resurfacing: Widen and resurface Neely Road

1 in Simpson County for \$137,000 from the Highway Construction Contingency Account
 2 in fiscal year 2006-2007; and

3 (v) Simpson County Highway Access: Create an access point on the south side of
 4 KY 100 at 300 feet east of the intersection with US 31W in Simpson County, to be paid
 5 from Road Fund resources.

6 **(26) Louisville Bridges Project Plan Report:** The Secretary of the Transportation
 7 Cabinet shall submit to the Legislative Research Commission by December 1, 2006, a
 8 long-term planning report for the Louisville Bridges Project. The planning report shall
 9 include project strategy, timeline, projected and actual financial data, construction
 10 schedule, total cost and cost to complete, anticipated revenues, revenue sources, and the
 11 overall financial impact on state transportation funds of the Louisville Bridges Project
 12 with respect to the federally funded component and the state-funded component, over the
 13 life of the project. The Transportation Cabinet shall also submit to the Interim Joint
 14 Committee on Appropriations and Revenue and the Interim Joint Committee on
 15 Transportation a copy of the Initial Financial Plan at the same time as it files the plan with
 16 the Federal Highway Administration, but in no event later than December 31, 2006.

17 **5. JUDGMENTS**

18 **(1) Payment of Judgments:** Road Fund resources required to pay judgments
 19 shall be transferred from the State Construction Account at the time when actual
 20 payments must be disbursed from the State Treasury.

21 **(2) Carry Forward of Road Fund Appropriation Balance:** Notwithstanding
 22 KRS 45.229, any funds not expended by June 30, 2007, shall not lapse and shall carry
 23 forward.

24 **6. PUBLIC TRANSPORTATION**

25		2006-07	2007-08
26	General Fund	7,703,400	5,203,400
27	Restricted Funds	555,700	555,700

1	Federal Funds	40,204,200	40,233,600
2	TOTAL	48,463,300	45,992,700

3 **(1) Toll Credits:** The Transportation Cabinet is authorized to maximize to the
4 extent necessary the use of Toll Credits to match Federal Funds for transit systems capital
5 grants.

6 **(2) Nonpublic School Transportation:** Included in the above General Fund
7 appropriation is \$2,950,000 in fiscal year 2006-2007 and \$2,950,000 in fiscal year 2007-
8 2008 for nonpublic school transportation.

9 **(3) State Match Provisions:** Included in the above General Fund appropriation is
10 \$2,500,000 in fiscal year 2006-2007 to provide additional General Fund match resources
11 to support increased grant expenditures related to federal funds for metropolitan public
12 transit system. Notwithstanding KRS 45.229, this appropriation shall not lapse and shall
13 carry forward.

14 **7. REVENUE SHARING**

15		2005-06	2006-07	2007-08
16	Road Fund	11,858,400	241,886,100	244,276,700

17 **(1) County Road Aid Program:** (a) Included in the above Road Fund
18 appropriation is \$91,417,600 in fiscal year 2006-2007 and \$92,249,300 in fiscal year
19 2007-2008 for the County Road Aid Program in accordance with KRS 177.320, 179.410,
20 179.415, and 179.440. Notwithstanding KRS 177.320(2), the above amounts have been
21 reduced by \$38,000 in fiscal year 2006-2007 and \$38,000 in fiscal year 2007-2008 which
22 has been appropriated to the Highways budget unit for the support of the Kentucky
23 Transportation Center.

24 (b) Notwithstanding KRS 177.320(2), the above amounts have been reduced by
25 \$6,039,000 in fiscal year 2006-2007 and \$8,784,000 in fiscal year 2007-2008 and
26 appropriated in the Debt Service budget unit for the support of the \$350,000,000 of
27 Highway Bonds authorized in Part I, L. Transportation, 4. Highways of this Act.

1 **(2) Rural Secondary Program:** (a) Included in the above Road Fund
2 appropriation is \$110,900,200 in fiscal year 2006-2007 and \$111,909,100 in fiscal year
3 2007-2008 for the Rural Secondary Program in accordance with KRS 177.320, 177.330,
4 177.340, 177.350, and 177.360. Notwithstanding KRS 177.320(1), the above amounts
5 have been reduced by \$46,000 in fiscal year 2006-2007 and \$46,000 in fiscal year 2007-
6 2008 which has been appropriated to the Highways budget unit for the support of the
7 Kentucky Transportation Center.

8 (b) Notwithstanding KRS 177.320(2), the above amounts have been reduced by
9 \$7,326,000 in fiscal year 2006-2007 and \$10,656,000 in fiscal year 2007-2008 and
10 appropriated in the Debt Service budget unit for the support of the \$350,000,000 of
11 Highway Bonds authorized in Part I , L. Transportation, 4. Highways of this Act.

12 **(3) Municipal Road Aid Program:** (a) Included in the above Road Fund
13 appropriation is \$38,465,300 in fiscal year 2006-2007 and \$38,815,300 in fiscal year
14 2007-2008 for the Municipal Road Aid Program in accordance with KRS 177.365,
15 177.366, and 177.369. Notwithstanding KRS 177.365(1), the above amounts have been
16 reduced by \$16,000 in fiscal year 2006-2007 and \$16,000 in fiscal year 2007-2008 which
17 has been appropriated to the Highways budget unit for the support of the Kentucky
18 Transportation Center.

19 (b) Notwithstanding KRS 177.320(2), the above amounts have been reduced by
20 \$2,541,000 in fiscal year 2006-2007 and \$3,696,000 in fiscal year 2007-2008 and
21 appropriated in the Debt Service budget unit for the support of the \$350,000,000 of
22 Highway Bonds authorized in Part I , L. Transportation, 4. Highways of this Act.

23 **(4) Energy Recovery Road Fund:** Included in the above Road Fund
24 appropriation is \$1,103,000 in fiscal year 2006-2007 and \$1,303,000 in fiscal year 2007-
25 2008 for the Energy Recovery Road Fund in accordance with KRS 177.977, 177.9771,
26 177.9772, 177.978, 177.979, and 177.981.

27 **8. VEHICLE REGULATION**

1		2005-06	2006-07	2007-08
2	Restricted Funds	-0-	4,109,900	4,101,900
3	Federal Funds	-0-	3,285,500	285,500
4	Road Fund	947,300	17,396,100	18,269,900
5	TOTAL	947,300	24,791,500	22,657,300

6 **TOTAL - TRANSPORTATION CABINET**

7		2005-06	2006-07	2007-08
8	General Fund	-0-	7,703,400	5,203,400
9	Restricted Funds	-0-	366,731,100	77,542,300
10	Federal Funds	30,085,900	697,652,400	715,547,900
11	Road Fund	12,805,700	1,162,618,900	1,187,955,400
12	Highway Bonds	-0-	350,000,000	-0-
13	TOTAL	42,891,600	2,584,705,800	1,986,249,000

14 **PART II**

15 **CAPITAL PROJECTS BUDGET**

16 **(1) Capital Construction Fund Appropriations and Reauthorizations:**

17 Moneys in the Capital Construction Fund are appropriated for the following capital
 18 projects subject to the conditions and procedures in this Act. Items listed without
 19 appropriated amounts are previously authorized for which no additional amount is
 20 required. These items are listed in order to continue their current authorization into the
 21 2006-2008 fiscal biennium. Unless otherwise specified, reauthorized projects shall
 22 conform to the original authorization enacted by the General Assembly.

23 **(2) Expiration of Existing Line-Item Capital Construction Projects: All**

24 appropriations to existing line-item capital construction projects expire on June 30, 2006,
 25 unless reauthorized in this Act with the following exceptions: (a) A construction contract
 26 for the project shall have been awarded by June 30, 2006; (b) Permanent financing or a
 27 short-term line of credit sufficient to cover the total authorized project scope shall have

1 been obtained in the case of projects authorized for bonds, provided that the authorized
 2 project completes an initial draw on the line of credit within the biennium immediately
 3 subsequent to the original authorization; (c) Grant or loan agreements, if applicable, shall
 4 have been finalized and properly signed by all necessary parties. Notwithstanding the
 5 criteria set forth in this section, the disposition of 2004-2006 biennium nonstatutory
 6 appropriated maintenance pools funded from Capital Construction Investment Income
 7 shall remain subject to the provisions of KRS 45.770(4)(c); and (d) Any capital
 8 construction project authorized pursuant to actions approved by the 2005 General
 9 Assembly in House Joint Resolution 92 (2005 Ky. Acts ch. 170, Vol. Ia, Part II Coal
 10 Severance Tax Projects), unless otherwise provided for in this Act, is deemed to be
 11 reauthorized up to the total amount of receipts allocated to the single county account at
 12 the end of fiscal year 2005-2006. Notwithstanding the criteria set forth in this section, the
 13 disposition of 2004-2006 biennium nonstatutory appropriated maintenance pools funded
 14 from Capital Construction Investment Income shall remain subject to the provisions of
 15 KRS 45.770(4)(c).

16 **(3) New Bond Projects:** Bond projects authorized for the first time in this Part
 17 which have debt service supported by state General Fund appropriations are authorized in
 18 the first year of the biennium. The sale of bonds to finance four projects, Western
 19 Kentucky Veterans Center - Alzheimer's/General Care Unit, Acquire Land for Wendell
 20 H. Ford Regional Training Center, School Facilities Construction Commission Offers of
 21 Assistance, Louisville Arena, and Highway Bonds, shall occur after July 1, 2006.

22 The sale of bonds to finance the following projects shall occur after January 1,
 23 2007:

24 (a) KIA Infrastructure for Economic Development for Coal Producing Counties;

25 (b) KIA Infrastructure for Economic Development for Non-Coal Producing
 26 Counties;

27 (c) Community Development Projects;

(d) Warren County Fiscal Court Transpark - Rail Spur and Infrastructure Improvements;

(e) Animal Shelters;

(f) Kentucky River Authority Locks and Dams Renovation and Maintenance Pool;

(g) The Louisville Zoo - Glacier Run

(h) New Horse Park Indoor Arena;

(i) Rockcastle County Vocational and Technical Center;

(j) Petroleum Underground Storage Tank;

(k) CPE Capital Renewal and Maintenance Pool;

(l) KCTCS - Franklin Technology Center Project Expansion; and

(m) All Agency Bond funded projects.

The sale of all other bonds to finance the remaining projects shall occur after July 1, 2007.

(4) Bond Proceeds Investment Income: Investment income earned from bond proceeds beyond that which is required to satisfy Internal Revenue Service arbitrage rebates and penalties and excess bond proceeds upon the completion of a bond-financed capital project may be used to pay debt service according to the Internal Revenue Service Code and accompanying regulations. Notwithstanding KRS 48.010(13)(b), 48.720, or any section of this Act, any funds appropriated but not required to pay debt service because of this fund source substitution shall be credited to the Statewide Deferred Maintenance Fund account each year. Unneeded debt service resulting from any other circumstance shall lapse in accordance with KRS 48.010(13)(b), 48.720, and other provisions of this Act except for the following: if the fund balance in the Emergency Repair, Maintenance, and Replacement Fund falls below \$5,000,000 in fiscal year 2006-2007, any debt service lapse necessary to bring the fund balance to \$5,000,000 in that fiscal year shall be credited to the Emergency Repair, Maintenance, and Replacement Fund. No transfer to

1 the Emergency Repair, Maintenance, and Replacement Fund, or the Statewide Deferred
2 Maintenance Pool account, shall be made based on the above provisions if the lapse from
3 other General Fund accounts is insufficient to meet appropriations approved in other Parts
4 of this Act.

5 **(5) Appropriations for Projects Not Line-Itemized:** Inasmuch as the
6 identification of specific projects in a variety of areas of the state government cannot be
7 ascertained with absolute certainty at this time, amounts are appropriated for specific
8 purposes to projects which are not individually identified in this Act in the following
9 areas: Kentucky Infrastructure Authority Water and Sewer Projects; Kentucky River
10 Authority Locks and Dams Renovation and Maintenance Pool; Repair of State-Owned
11 Dams; Land Acquisition; Property Demolition; Guaranteed Energy Savings projects;
12 Wetland and Stream Mitigation; Phase I Tobacco Settlement Agricultural Development
13 Initiative; Community Development projects; Economic Development projects which
14 shall include authorization for the High-Tech Construction Pool and the High-Tech
15 Investment Pool; Infrastructure projects; the Capital Renewal and Maintenance Bond
16 Pool; Heritage Land Conservation projects; Flood Control projects; the Parks Renovation
17 Pool; Parks Development Pool; the Statewide Repair, Maintenance, and Replacement
18 Pool; the Education Technology Pool; the Postsecondary Education Institutions
19 Technology and Equipment Pool; the Postsecondary Education Institutions Research
20 Support/Lab Renovation and Equipment Pool; the Local District Health Departments
21 Construction Pool; and University Major Items of Equipment Pools. Any projects
22 estimated to cost over \$400,000 and equipment estimated to cost over \$100,000 shall be
23 reported to the Capital Projects and Bond Oversight Committee. All moneys transferred
24 to the Finance and Administration Cabinet for capital construction from any
25 appropriations, including income from investments, shall be expended, accounted for, and
26 otherwise treated in the same manner as funds appropriated directly to the Finance and
27 Administration Cabinet for capital construction.

1 **(6) Jefferson County Medical Society:** Notwithstanding KRS Chapter 45A or
2 any other statute or provision of the law to the contrary, the Commonwealth releases the
3 Medical Foundation of Jefferson County Medical Society from its Promissory Note dated
4 June 15, 1979, in the principal amount of \$110,000.

5 **(7) Executive Mansion Restoration:** In accordance with the process involved in
6 previous renovations of the Executive Mansion and notwithstanding KRS 11.027, 41.290,
7 56.491, and 337.505 to 337.550, KRS Chapter 45A, or any other provision of law to the
8 contrary, the Finance and Administration Cabinet is authorized to enter into an agreement
9 with the Governor's Mansion Preservation Foundation (the foundation) concerning the
10 renovation of the Executive Mansion. All design drawings for the renovation shall be
11 inspected and approved by the Division of Historic Properties for the purpose of ensuring
12 that the work and materials are consistent with the principles of historic preservation and
13 in compliance with all applicable codes and regulations. All work shall be conducted
14 under the supervision of the Finance and Administration Cabinet's Division of Historic
15 Properties, and all such work shall become the property of the Commonwealth. The
16 foundation shall have the authority to select contractors and service providers and to enter
17 into contracts to purchase or receive donations of goods, materials, and services necessary
18 to the renovation; provided, however, that payment and performance bonds in an amount
19 deemed by the Secretary of the Finance and Administration Cabinet to be appropriate for
20 the protection of the Commonwealth's interest therein shall be provided with respect to
21 work performed on the Executive Mansion.

22 **(8) Bond Issues for Tobacco and Non-Coal Producing Counties:** Any
23 authorized bond project from the Infrastructure for Economic Development Fund for
24 Tobacco Counties, Water and Sewer Resource Development Fund for Tobacco Counties,
25 and Infrastructure for Economic Development Fund for Non-Coal Producing Counties
26 may be financed from any associated bond issue for the Infrastructure for Economic
27 Development Fund for Tobacco Counties, Water and Sewer Resource Development Fund

1 for Tobacco Counties, and Infrastructure for Economic Development Fund for Non-Coal
 2 Producing Counties.

3 **A. GENERAL GOVERNMENT**

4 **Budget Units** **2006-07** **2007-08**

5 **1. VETERANS' AFFAIRS**

6 001. Construct State Veterans Cemetery - Northeast Kentucky (Greenup County)

7 General Fund 395,000 -0-

8 Federal Funds -0- 8,300,000

9 TOTAL 395,000 8,300,000

10 002. Maintenance Pool

11 Investment Income 100,000 100,000

12 003. Construct State Veterans Cemetery - Southeast Kentucky (Leslie County)

13 General Fund -0- 200,000

14 Federal Funds -0- 6,000,000

15 TOTAL -0- 6,200,000

16 004. Western Kentucky Veterans' Center - Alzheimer's/General Care Unit

17 Bond Funds 1,757,000 -0-

18 **2. KENTUCKY INFRASTRUCTURE AUTHORITY**

19 001. KIA Fund F - Drinking Water Revolving Loan Program

20 Federal Funds 20,000,000 -0-

21 Bond Funds 4,000,000 -0-

22 TOTAL 24,000,000 -0-

23 002. KIA Fund A - Federally Assisted Wastewater Program

24 Federal Funds 20,000,000 -0-

25 Bond Funds 4,000,000 -0-

26 TOTAL 24,000,000 -0-

27 003. Infrastructure for Economic Development Fund for Non-Coal Producing

1	Counties		
2	Bond Funds	150,000,000	-0-
3	004. Infrastructure for Economic Development Fund for Coal-Producing		
4	Counties		
5	Bond Funds	100,000,000	-0-
6	(1) Expenditure of Loan Repayments Cash Balances: The Kentucky		
7	Infrastructure Authority is authorized to expend the cash balances from loan repayments		
8	on deposit at the trustee bank for financial assistance, in the form of low-interest loans, to		
9	governmental agencies for professional planning and preliminary engineering design		
10	work required for eligible Fund A wastewater projects.		
11	005. City of Hindman - Water Line Improvements		
12	Reauthorization and Reallocation (\$88,888)		
13	The above project is authorized from a reallocation from the Knott County Water		
14	and Sewer District - Ball Creek Water Project and Others in 2005 HJR 92 (2005 Ky. Acts		
15	ch. 170, Vol. Ia, Part II, Infrastructure for Economic Development Fund for Coal-		
16	Producing Counties, p. 1830).		
17	3. MILITARY AFFAIRS		
18	001. Construct Joint Use Readiness Center Paducah		
19	Federal Funds	11,400,000	-0-
20	002. Bluegrass Station Facility Maintenance Pool		
21	Restricted Funds	2,500,000	2,500,000
22	003. Acquire Land for Wendell H. Ford Regional Training Center		
23	Bond Funds	4,500,000	-0-
24	004. Upgrade DMA Statewide Radio System - Additional		
25	Federal Funds	3,000,000	-0-
26	005. Maintenance Pool		
27	Investment Income	860,000	860,000

1	006. Construct Warehouse - Bluegrass Station		
2	Restricted Funds	375,000	-0-
3	Federal Funds	1,125,000	-0-
4	TOTAL	1,500,000	-0-
5	007. Aircraft Maintenance Pool		
6	Investment Income	500,000	500,000
7	4. GOVERNOR'S OFFICE FOR LOCAL DEVELOPMENT		
8	001. Owenton/Owen County Natural Gas Line Project		
9	Bond Funds	5,000,000	-0-
10	002. Flood Control Matching Fund/State Owned Dam Repair		
11	General Fund	800,000	800,000
12	Restricted Funds	700,000	700,000
13	Investment Income	500,000	500,000
14	TOTAL	2,000,000	2,000,000
15	003. Warren County Fiscal Court - Transpark - Rail Spur		
16	Bond Funds	4,500,000	-0-
17	004. Leslie County Fiscal Court - Leslie County Six Volunteer Fire		
18	Departments - Equipment and Operations		
19	Reauthorization and Reallocation (\$120,000 Restricted Funds)		
20	The above project is authorized from a reallocation from the Leslie County Fiscal		
21	Court - Equipment and Operations project in 2005 Ky. Acts ch., 173, Part I, A., 9.,b.		
22	005. Community Development Fund Projects		
23	General Fund	20,650,800	8,453,000
24	Bond Funds	75,658,000	-0-
25	TOTAL	96,308,000	8,453,000
26	006. Louisville Zoo - Glacier Run		
27	Bond Funds	6,000,000	-0-

1	007. Franklin County - Lease		
2	5. ATTORNEY GENERAL		
3	001. Franklin County - Lease		
4	6. UNIFIED PROSECUTORIAL SYSTEM - COMMONWEALTH'S ATTORNEYS		
5	001. Jefferson County - Lease		
6	7. TREASURY		
7	001. Lease-Purchase of Xerox Laser Printers - Additional		
8	Capital Construction Surplus	141,000	141,000
9	8. AGRICULTURE		
10	001. PACE - Agriculture Enhancement Fund - Additional		
11	Federal Funds	3,600,000	3,600,000
12	002. Large Scale Test Truck		
13	Capital Construction Surplus	175,000	-0-
14	003. Forage Testing Van		
15	Capital Construction Surplus	115,000	-0-
16	004. Fuels/Pesticides Testing Lab		
17	General Fund	-0-	1,650,000
18	005. Animal Shelters		
19	Bond Funds	2,500,000	-0-
20	006. Franklin County - Lease		
21	9. KENTUCKY RETIREMENT SYSTEMS		
22	001. Kentucky Retirement Systems Line of Business Project		
23	Restricted Funds	19,300,000	-0-
24	002. Franklin County - Lease - Perimeter Park West		
25	10. BOARD OF NURSING		
26	001. Jefferson County - Lease		
27	11. KENTUCKY RIVER AUTHORITY		

1	001. Kentucky River Locks and Dams Maintenance and Renovations Pool		
2	Bond Funds	17,500,000	-0-
3	Agency Bond Funds	33,200,000	-0-
4	Restricted Funds	4,600,000	-0-
5	TOTAL	55,300,000	-0-

6 12. SCHOOL FACILITIES CONSTRUCTION COMMISSION

7 001. Offers of Assistance

8	Bond Funds	100,000,000	-0-
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9 002. Additional Offers of Assistance

10	Bond Funds	50,000,000	-0-
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11 003. Urgent Needs School Trust Fund

12 Reauthorization (\$91,536,000 Bond Funds)

13 004. School Facilities Construction Commission

14 Reauthorization (\$73,300,000 Bond Funds)

15 005. Category 5 School Buildings

16 Reauthorization (\$24,071,600 Bond Funds)

17 13. TEACHERS' RETIREMENT SYSTEM

18 001. KTRS Pension Management System

19 Reauthorization (\$2,000,000 Restricted Funds)

20 B. COMMERCE CABINET

21	Budget Units	2006-07	2007-08
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22 1. PARKS

23 001. Parks Renovation Pool

24	Bond Funds	8,000,000	-0-
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25 (1) **Permitted Use of Funds:** These Bond Funds may be used for any Department
 26 of Parks or Kentucky Horse Park Commission facility owned, leased, or maintained by
 27 the Commonwealth.

1	002. Parks Development Pool		
2	Bond Funds	60,000,000	-0-
3	003. Construct Convention Center E. P. "Tom" Sawyer		
4	Other Funds	1,000,000	-0-
5	004. Maintenance Pool		
6	Investment Income	2,740,000	3,990,000
7	2. HORSE PARK COMMISSION		
8	001. Construct New Indoor Arena		
9	Bond Funds	36,500,000	-0-
10	Other Funds	6,180,000	-0-
11	TOTAL	42,680,000	-0-
12	002. Construct Hotel/Conference Center		
13	Other Funds	27,500,000	-0-
14	003. Maintenance Pool		
15	Investment Income	575,000	575,000
16	004. Construct Permanent Seating Stadium Jump Area		
17	Reauthorization (\$1,000,000 Other Funds)		
18	3. STATE FAIR BOARD		
19	001. Replace Roof for the Pavilion		
20	Bond Funds	1,250,000	-0-
21	002. Maintenance Pool		
22	Restricted Funds	1,500,000	1,500,000
23	003. Upgrade HVAC Systems		
24	Bond Funds	2,000,000	-0-
25	004. Replace Paving from Gate 1 to Gate 2		
26	Reauthorization (\$900,000 Restricted Funds)		
27	005. Renovate KICC Pedway System		

1	Reauthorization (\$1,000,000 Restricted Funds)		
2	006. Repave Parking Lots E, J, and Ashton - Adair		
3	Reauthorization (\$1,330,000 Restricted Funds)		
4	4. FISH AND WILDLIFE RESOURCES		
5	001. Fees-in-Lieu-of Stream Mitigation Projects Pool		
6	Restricted Funds	5,000,000	5,000,000
7	002. Bullock Pen Lake Dam/Spillway Upgrade		
8	Restricted Funds	-0-	3,000,000
9	003. Land Acquisition Pool		
10	Restricted Funds	7,700,000	1,000,000
11	004. Water & Drain Line Replacement		
12	Restricted Funds	250,000	-0-
13	Federal Funds	750,000	-0-
14	TOTAL	1,000,000	-0-
15	005. Maintenance Pool		
16	Restricted Funds	400,000	400,000
17	006. Camp Currie Dining Hall Replacement		
18	Restricted Funds	720,000	-0-
19	007. Camp Webb Swimming Pool		
20	Restricted Funds	700,000	-0-
21	008. Boating/Fishing Access Pool		
22	Restricted Funds	300,000	300,000
23	5. HISTORICAL SOCIETY		
24	001. Kentucky History Center Security Upgrades		
25	Capital Construction Surplus	238,000	-0-
26	002. Perryville Battlefield		
27	Bond Funds	617,000	-0-

6. KENTUCKY CENTER FOR THE ARTS

001. Maintenance Pool

Investment Income	160,000	160,000
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C. ECONOMIC DEVELOPMENT CABINET

(1) Economic Development Bond Issues: Before any economic development bonds are issued, the proposed bond issue shall be approved by the Secretary of the Finance and Administration Cabinet and the State Property and Buildings Commission under KRS 56.440 to 56.590. In addition to the terms and conditions of KRS 154.12-100, administration of the Economic Development Bond Program by the Secretary of the Cabinet for Economic Development is subject to the following guideline: project selection shall be documented when presented to the Secretary of the Finance and Administration Cabinet. Included in the documentation shall be the rationale for selection and expected economic development impact.

Budget Units	2006-07	2007-08
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1. SECRETARY

001. New Economy High-Tech Construction/Investment Pool

Bond Funds	20,000,000	-0-
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2. FINANCIAL INCENTIVES

001. Economic Development Bond Pool

Bond Funds	17,500,000	-0-
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(1) Purchase Regional Industrial Park: Included in the above appropriation is \$2,500,000 for the Purchase Regional Industrial Park Authority to support land use and development at the Purchase Regional Industrial Park as approved by the Kentucky Economic Development Finance Authority.

D. DEPARTMENT OF EDUCATION

Budget Unit	2006-07	2007-08
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1. OPERATION AND SUPPORT SERVICES

1 001. Kentucky Education Network

2	Bond Funds	8,900,000	-0-
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The Secretary of the Education Cabinet, the Commissioner of the Department of Education, the President of the Council on Postsecondary Education, the Secretary of the Finance and Administration Cabinet, and the Executive Director of the Education Professional Standards Board shall submit a coordinated implementation plan with timelines and regular progress reports to the Interim Joint Committee on Appropriations and Revenue. All expenditures shall require the prior approval of the Secretary of the Finance and Administration Cabinet.

10 002. On-Line Assessment

11	Bond Funds	15,000,000	-0-
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12 003. Knowledge Management Portal

13	Bond Funds	3,250,000	-0-
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14 004. Student Information System

15	Bond Funds	10,000,000	-0-
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16 005. Maintenance Pool

17	Investment Income	675,000	675,000
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18 006. Rockcastle County Vocational and Technical Center

19	Bond Funds	1,500,000	-0-
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20 007. Education Technology Pool

21	Bond Funds	50,000,000	-0-
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22 008. Letcher County Central Vocational Center

23	Bond Funds	2,000,000	-0-
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24 **E. EDUCATION CABINET**

25	Budget Units	2006-07	2007-08
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26 **1. GENERAL ADMINISTRATION AND PROGRAM SUPPORT**

27 001. Maintenance Pool

1	Investment Income	300,000	300,000
2	2. KENTUCKY EDUCATIONAL TELEVISION		
3	001. Maintenance Pool		
4	Investment Income	100,000	100,000
5	002. Replace Master Control and Production Infrastructure		
6	Bond Funds	15,707,000	-0-
7	3. EMPLOYMENT AND TRAINING		
8	001. KEWES - Seibel Upgrade		
9	Restricted Funds	550,000	-0-
10	Federal Funds	600,000	-0-
11	TOTAL	1,150,000	-0-
12	002. KEWES - Appeals Upgrade		
13	Restricted Funds	250,000	-0-
14	Federal Funds	250,000	-0-
15	TOTAL	500,000	-0-
16	003. Replace HVAC System - Winchester Office of Employment and Training		
17	Capital Construction Surplus	335,000	-0-
18	4. VOCATIONAL REHABILITATION		
19	001. Franklin County - Lease		
20	002. Fayette County - Lease		
21	F. ENVIRONMENTAL AND PUBLIC PROTECTION CABINET		
22	Budget Units	2006-07	2007-08
23	1. GENERAL ADMINISTRATION AND PROGRAM SUPPORT		
24	001. Kentucky Heritage Land Conservation Fund - Additional		
25	Restricted Funds	3,000,000	3,000,000
26	Federal Funds	1,000,000	1,000,000
27	TOTAL	4,000,000	4,000,000

1	002. Maintenance Pool		
2	Investment Income	200,000	200,000
3	2. ENVIRONMENTAL PROTECTION		
4	001. Hazardous Waste Management Fund - Additional		
5	Restricted Funds	2,100,000	2,100,000
6	002. State Funded Leaking Underground Storage Tanks - Additional		
7	Restricted Funds	500,000	500,000
8	003. Maxey Flats Construct Deep Well Monitoring		
9	Restricted Funds	500,000	-0-
10	004. Franklin County - Lease - Ash Building		
11	005. Franklin County - Lease - Schenkel Lane		
12	3. MINE RECLAMATION AND ENFORCEMENT		
13	001. Franklin County - Lease		
14	4. PETROLEUM STORAGE TANK ENVIRONMENTAL ASSURANCE FUND		
15	001. Petroleum Storage Tank Environmental Assurance Fund		
16	Bond Funds	25,000,000	-0-
17	5. HOUSING, BUILDINGS AND CONSTRUCTION		
18	001. Franklin County - Lease		
19	6. INSURANCE		
20	001. Franklin County - Lease		
21	7. LABOR		
22	001. Franklin County - Lease - 657 Chamberlin Ave		
23	002. Franklin County - Lease - U. S. 127		
24	G. FINANCE AND ADMINISTRATION CABINET		
25	Budget Units	2006-07	2007-08
26	1. GENERAL ADMINISTRATION		
27	001. Louisville Arena		

1	Bond Funds	75,000,000	-0-
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2 (a) The \$75,000,000 of state-supported Bond Funds shall pay a portion of the cost
3 to construct the Louisville Arena, a public project intended for multiple uses as a public,
4 recreational, cultural, and sports facility. Bond funds authorized under this paragraph
5 shall be conditioned upon the Louisville Arena Authority, Inc. conducting all business in
6 accordance with the applicable provisions of KRS Chapter 45A, and with the provisions
7 of the Kentucky Open Records Act (KRS 61.870 to 61.884) and the Kentucky Open
8 Meetings Act (KRS 61.800 to 61.850). The provisions of KRS Chapter 11A shall apply
9 to the Authority's directors, officers, and management and policymaking employees. All
10 decisions regarding the issuance of bonds and whether bonds should be competitively bid
11 or negotiated shall be made by the Authority in an open meeting.

12 (b) Bond Funds authorized under paragraph (a) shall be conditioned upon the
13 execution of contracts or memorandum of understanding by the Louisville Arena
14 Authority, Inc. and applicable parties to ensure the following:

15 1. Kentucky State Fair Board - Except as provided in subparagraph 2. below, the
16 Kentucky State Fair Board shall be the sole, independent managing agent for the
17 Louisville Arena and shall have complete authority over day-to-day operations, including
18 but not limited to event attractions, scheduling, and coordination between the Arena and
19 other facilities operated by the Fair Board, in accordance with general guidelines
20 established or mutually modified by the Fair Board and the Authority. Any net-negative
21 financial impact to the Kentucky State Fair Board operations resulting from the
22 movement of existing events from current facilities to the new arena shall be reimbursed
23 to the Kentucky State Fair Board during the life of the state bonds authorized herein; and

24 2. University of Louisville - The Authority shall agree to acceptable
25 arrangements with the University for scheduling priorities for men's and women's
26 basketball games and practices, sharing of catering and concession revenue, allocation
27 and pricing of parking spaces, marketing and allocation of revenues from suites and

1 premium seats, arena advertising, signage, banners and branding, ticket prices and
2 surcharges, arena development team membership, other events and uses of the arena,
3 rental rates, merchandise revenue sharing and such other matters as the Authority and the
4 University deem appropriate. The contract or memorandum of understanding referred to
5 in this subparagraph shall include any term or condition recommended by the Louisville
6 Arena Task Force and may address any other term or condition mutually agreed upon by
7 the University and the Authority.

8 (c) If the Arena is constructed at the location commonly known as the "LG&E
9 site," it is not anticipated that a significant portion of the arena project costs will be borne
10 by Louisville Gas & Electric. However, for purposes of transparency, if the Arena is
11 constructed at the LG&E site, any portion of the costs associated with the purchase,
12 relocation, demolition, or construction of buildings, structures, and equipment assumed
13 by Louisville Gas & Electric shall be clearly delineated in the contractual agreement
14 between Louisville Gas & Electric and the Arena Authority, its successor, or any other
15 entity organized for the purpose of developing, financing, and constructing the Arena.

16 (d) If construction of the Arena is dependent upon construction of a floodwall or
17 other flood control structures, the costs associated with such construction shall not be
18 borne by Metropolitan Sewer District ratepayers.

19 (e) The conditions and contingencies imposed by paragraphs (a) through (d)
20 above shall not be construed in any manner which may negatively impact the Louisville
21 Arena Authority, Inc.'s ability to seek and receive tax-exempt status pursuant to 26 U.S.C.
22 Section 501(c) and Treas. Reg. Section 1.501(c)(3)-1(d)(2).

23 (f) Any additional debt issued by any other entity other than the Commonwealth
24 shall not constitute a debt of the Commonwealth or a pledge of the faith and credit of the
25 Commonwealth. Nor shall any debt issued by any other entity other than the
26 Commonwealth be deemed, directly or indirectly, to be a moral obligation of the
27 Commonwealth. In no case shall the Commonwealth pay for any construction cost

1 overruns or operating costs associated with the Louisville Arena.

2 **2. FACILITIES AND SUPPORT SERVICES**

3 001. Renovate Kentucky State Office Building - Additional

4 Bond Funds 13,600,000 -0-

5 002. Capital Plaza Complex - Renovation and Design

6 Bond Funds 4,942,000 -0-

7 003. Statewide Repair, Maintenance, and Replacement

8 Bond Funds 10,000,000 -0-

9 **(1) Statewide Repair, Maintenance, and Replacement Pool Fund:** Included in
10 the above Statewide Repair, Maintenance, and Replacement Pool Fund are the following
11 Bond Funds supported projects and related appropriations in fiscal year 2006-2007:

12 (a) Facilities and Support Services Maintenance Pool, \$7,500,000;

13 (b) Parks, Maintenance Pool, \$1,250,000; and

14 (c) Justice and Public Safety Cabinet, Corrections Management, Maintenance
15 Pool, \$1,250,000.

16 004. Acquire Land/Demolish Structures Statewide - Additional

17 Capital Construction Surplus 903,000 904,000

18 005. Governor's Mansion HVAC and Window Replacement - Additional

19 Investment Income 90,000 -0-

20 006. Guaranteed Energy Savings Performance Contracts

21 **3. COMMONWEALTH OFFICE OF TECHNOLOGY**

22 **(1) Transfer of Restricted Funds from Operating Budget:** For the major
23 equipment purchases displayed in this section funded from Restricted Funds, it is
24 anticipated that these funds shall be transferred from the Operating Budget as funds are
25 available and needed.

26 001. Public Safety Commission Infrastructure - KEWS - Additional

27 Federal Funds 16,166,000 -0-

1	Bond Funds	13,000,000	-0-
2	TOTAL	29,166,000	-0-
3	002. Data Center Readiness		
4	Bond Funds	1,400,000	-0-
5	003. KY Information Highway Expansion 06-08		
6	Restricted Funds	1,975,000	1,975,000
7	004. Enterprise Server (z/OS) Upgrade/Replacement		
8	Restricted Funds	800,000	400,000
9	005. Statewide Digital Orthoimagery Basemap Update 06-08		
10	Restricted Funds	500,000	500,000
11	006. Enterprise Applications Upgrade		
12	Restricted Funds	500,000	500,000
13	007. Enterprise Project Management Information System		
14	Restricted Funds	425,000	425,000
15	008. Franklin County - Lease - Genesco Building Warehouse		
16	009. Franklin County - Lease - 100 Fair Oaks		
17	010. Disk Storage Upgrade		
18	Reauthorization (\$800,000 Restricted Funds)		
19	011. Enterprise Storage Solution		
20	Reauthorization (\$2,000,000 Restricted Funds)		
21	012. Enterprise Server Complex Upgrade		
22	Reauthorization (\$2,500,000 Restricted Funds)		
23	013. Enterprise UNIX Server(s) Consolidation		
24	Reauthorization (\$3,300,000 Restricted Funds)		
25	014. Statewide Digital Orthoimagery Basemap Update		
26	Reauthorization (\$200,000 Restricted Funds, \$300,000 Federal Funds)		
27	015. Enterprise Messaging		

1	Reauthorization (\$660,000 Restricted Funds)		
2	016. Kentucky Information Highway Upgrade Expansion		
3	Reauthorization (\$3,500,000 Restricted Funds)		
4	017. Enterprise Infrastructure Security		
5	Reauthorization (\$1,000,000 Restricted Funds)		
6	018. Disaster Recovery Phase I & II		
7	Reauthorization (\$1,200,000 Restricted Funds)		
8	4. REVENUE		
9	001. Implement a Comprehensive Tax System - Phase I		
10	Bond Funds	23,250,000	-0-
11	002. Motor Fuels Tax Automation		
12	Federal Funds	1,250,000	-0-
13	Road Fund	1,250,000	-0-
14	TOTAL	2,500,000	-0-
15	003. Franklin County - Lease - Perimeter Park West		
16	004. Franklin County - Lease - 200 Fair Oaks		
17	005. Franklin County - Lease - 100 Fair Oaks		
18	5. KENTUCKY LOTTERY CORPORATION		
19	001. Potential Buyout of On-line Gaming System		
20	Other Funds	12,250,000	-0-
21	002. Data Processing, Telecomm., and Related Equipment		
22	Other Funds	3,000,000	3,000,000
23	003. Contingency on Property Adjacent to New Headquarters		
24	Other Funds	4,000,000	-0-
25	004. iSeries System Upgrades		
26	Other Funds	1,000,000	-0-
27	005. Network Storage and Associated Infrastructure		

1	Other Funds	500,000	-0-
2	H. HEALTH AND FAMILY SERVICES CABINET		
3	Budget Units	2006-07	2007-08
4	1. GENERAL ADMINISTRATION AND PROGRAM SUPPORT		
5	001. Safeguarding Children at Risk (TWIST Re-Write II) - Additional		
6	Federal Funds	3,134,000	-0-
7	Bond Funds	3,134,000	-0-
8	TOTAL	6,268,000	-0-
9	2. MENTAL HEALTH AND MENTAL RETARDATION SERVICES		
10	001. Oakwood - Replace Chillers, Heating & Cooling Lines		
11	Bond Funds	2,131,000	-0-
12	002. Maintenance Pool		
13	Investment Income	1,500,000	1,500,000
14	003. Roof Pool		
15	Capital Construction Surplus	700,000	-0-
16	004. Chiller Pool		
17	Restricted Funds	400,000	-0-
18	005. Fayette County - Lease		
19	006. Franklin County - Lease		
20	007. Hazelwood Intermediate Care Facility		
21	for the Mentally Retarded/Developmentally Disabled - Lease		
22	008. Eastern State Hospital - Lease		
23	3. DISABILITY DETERMINATION SERVICES		
24	001. Franklin County - Lease		
25	4. COMMUNITY BASED SERVICES		
26	001. Boone County - Lease		
27	002. Boyd County - Lease		

- 1 003. Johnson County - Lease
- 2 004. Fayette County - Lease - Centre Parkway
- 3 005. Shelby County - Lease
- 4 006. Jefferson County - Lease
- 5 007. Fayette County - Lease
- 6 008. Kenton County - Lease - Madison Avenue
- 7 009. Hardin County - Lease
- 8 010. Campbell County - Lease
- 9 011. Warren County - Lease
- 10 012. Kenton County - Lease
- 11 013. Home of the Innocents - Phase II Children's Village

12 Bond Funds	8,250,000	-0-
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13 **(1) Bond Issuance Contingency:** The amount of bond issuance shall be
 14 contingent upon equalizing matching funds being provided from other fund sources.

- 15 014. Brooklawn Child and Family Services

16 Bond Funds	2,000,000	-0-
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17 **(2) Brooklawn Child and Family Services:** The above appropriation shall be
 18 used to purchase houses and an apartment building for Brooklawn residents who have
 19 completed residential treatment.

20 **5. PUBLIC HEALTH**

- 21 001. Health Departments Infrastructure Pool

22 Bond Funds	10,000,000	-0-
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23 **(1) Health Departments Infrastructure Pool:** In order to address a portion of
 24 the construction and renovation needs of Local and District Health Departments, the
 25 Health Departments Infrastructure Pool is established. The Department for Public Health
 26 shall establish an application process to participate in this pool that shall require in-kind
 27 or matching funds from the local agency of not less than 25 percent of the grant

1 requested. No individual grant from this pool shall exceed \$500,000. If the amount of
 2 bond funds available from the pool is not sufficient to cover all applications, the
 3 Department shall determine the distribution of pool assets.

4 **I. JUSTICE AND PUBLIC SAFETY CABINET**

5 Budget Units	2006-07	2007-08
6 1. CRIMINAL JUSTICE TRAINING		
7 001. Maintenance Pool		
8 Restricted Funds	300,000	300,000
9 002. Thompson Hall HVAC		
10 Restricted Funds	400,000	-0-
11 2. JUVENILE JUSTICE		
12 001. Upgrade Safety and Repair Exterior NKYDC		
13 Emergency, Repair, Maintenance,		
14 and Replacement	1,700,000	-0-
15 002. Upgrade Fire Safety/Repair Morehead YDC		
16 Capital Construction Surplus	1,500,000	-0-
17 003. Maintenance Pool		
18 Investment Income	450,000	450,000
19 3. STATE POLICE		
20 001. Maintenance Pool		
21 Investment Income	300,000	300,000
22 4. ADULT CORRECTIONAL INSTITUTIONS		
23 001. Renovate Lonnie Watson Building - KCIW		
24 Bond Funds	1,697,000	-0-
25 002. Maintenance Pool		
26 Investment Income	1,850,000	600,000
27 5. PUBLIC ADVOCACY		

1 001. Franklin County - Lease

2 **J. PERSONNEL CABINET**

3 Budget Unit

4 1. GENERAL OPERATIONS

5 001. Franklin County - Lease

6 **K. POSTSECONDARY EDUCATION**

7 **(1) Postsecondary Education Capital Renewal and Maintenance Pool Match:**

8 The Capital Renewal and Maintenance Pool provides funding for individual projects at
9 Kentucky's public postsecondary institutions to upgrade and replace building systems and
10 infrastructure in education and general facilities. The individual projects funded from this
11 pool shall be recommended by the Council on Postsecondary Education to the Secretary
12 of the Finance and Administration Cabinet from the project listings previously identified
13 by the Council. The Council shall determine the allocation of the Capital Renewal and
14 Maintenance Pool among the postsecondary education institutions and report that
15 allocation to the Secretary of the Finance and Administration Cabinet and the Legislative
16 Research Commission's Capital Projects and Bond Oversight Committee. The Bond
17 Funds in this pool shall be matched with the institutions' Restricted Funds at varying
18 levels as determined by the Council on Postsecondary Education.

19	Budget Units	2005-06	2006-07	2007-08
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20 **1. COUNCIL ON POSTSECONDARY EDUCATION**

21 001. Capital Renewal and Maintenance Pool

22	Bond Funds	-0-	13,927,000	-0-
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23 002. Purchase KYVU/KYVL Electronic Data Bases

24	Restricted Funds	-0-	7,000,000	-0-
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25 003. Purchase KYVL Integrated Library System

26	Restricted Funds	-0-	4,000,000	-0-
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27 004. Purchase Interactive Television (ITV) System

1	Restricted Funds	-0-	800,000	-0-
2	005. Purchase KYVU Centralized Hosting License			
3	Restricted Funds	-0-	750,000	-0-
4	006. Purchase KYVL Interlibrary Loan System			
5	Restricted Funds	-0-	700,000	-0-
6	007. Purchase KYVL Reference Desk Software			
7	Restricted Funds	-0-	600,000	-0-
8	008. KYVU/KYVL Statewide Software Licenses Pool			
9	Restricted Funds	-0-	500,000	-0-
10	009. Purchase Postsecondary Education Video Conference System			
11	Restricted Funds	-0-	500,000	-0-
12	010. Install Website ADA Compliance Restructuring			
13	Restricted Funds	-0-	500,000	-0-
14	011. Franklin County - Lease			
15	012. Information Technology and Equipment Acquisitions			
16	Bond Funds	-0-	10,000,000	-0-
17	013. Research Support/Lab Renovation and Equipment			
18	Bond Funds	-0-	6,000,000	-0-
19	2. KENTUCKY HIGHER EDUCATION STUDENT LOAN CORPORATION			
20	001. Upgrade Information Technology Systems			
21	Federal Funds	-0-	671,000	-0-
22	002. Jefferson County - Lease			
23	3. EASTERN KENTUCKY UNIVERSITY			
24	001. Construct New Student Housing			
25	Agency Bonds	-0-	10,520,000	-0-
26	002. ECU-UK Dairy Research Project (Meadowbrook Farm)			
27	Bond Funds	-0-	5,300,000	-0-

1	003. Arlington Renovation and Addition			
2	Other Funds	-0-	4,000,000	-0-
3	004. Library Studio for Academic Creativity			
4	Restricted Funds	-0-	-0-	1,500,000
5	005. Expand and Renovate Presnell Building - Additional			
6	Reauthorization (\$1,000,000 Restricted Funds)			
7	Restricted Funds	-0-	1,200,000	-0-
8	006. Expand Indoor Tennis Facility - Additional			
9	Reauthorization (\$1,000,000 Restricted Funds)			
10	Restricted Funds	-0-	100,000	-0-
11	007. Construct E & G Life Safety Begley Elevator			
12	Reauthorization (\$750,000 Restricted Funds)			
13	008. Guaranteed Energy Savings Performance Contracts			
14	009. Construct Science Building			
15	Bond Funds	-0-	54,108,000	-0-
16	010. Construct Manchester Postsecondary Education Center			
17	Bond Funds	-0-	3,500,000	-0-
18	4. KENTUCKY STATE UNIVERSITY			
19	001. Construct New Young Hall - Phase II			
20	Other Funds	-0-	-0-	6,500,000
21	002. Construct Center for Training & Learning			
22	Federal Funds	-0-	2,755,000	-0-
23	003. Upgrade Online Infrastructure			
24	Restricted Funds	-0-	2,190,000	-0-
25	004. Create Center for Families and Children			
26	Federal Funds	-0-	2,022,000	-0-
27	005. Acquire Property Related to Master Plan			

1	Restricted Funds	-0-	1,000,000	-0-
2	Federal Funds	-0-	1,000,000	-0-
3	TOTAL	-0-	2,000,000	-0-
4	006. Roof Repair & Replacement Pool			
5	Restricted Funds	-0-	1,520,000	-0-
6	Federal Funds	-0-	400,000	-0-
7	TOTAL	-0-	1,920,000	-0-
8	007. Capital Renewal Pool			
9	Restricted Funds	-0-	1,899,000	-0-
10	008. Renovate Jackson Hall			
11	Restricted Funds	-0-	140,000	-0-
12	Federal Funds	-0-	1,488,000	-0-
13	TOTAL	-0-	1,628,000	-0-
14	009. Upgrade Online Security			
15	Restricted Funds	-0-	1,500,000	-0-
16	010. Expand Aquaculture Pond Facilities			
17	Federal Funds	-0-	1,430,000	-0-
18	011. Construct Aquaculture Production Tech Lab			
19	Restricted Funds	-0-	1,000,000	-0-
20	Federal Funds	-0-	200,000	-0-
21	TOTAL	-0-	1,200,000	-0-
22	012. Life Safety Upgrade Pool			
23	Restricted Funds	-0-	1,040,000	-0-
24	013. Replace Online Voice - Centrex			
25	Restricted Funds	-0-	587,000	-0-
26	014. Guaranteed Energy Savings Performance Contracts			
27	015. Expand and Renovate Betty White Nursing Building			

1	Bond Funds	-0-	4,900,000	-0-
2	016. Construct New Residence Hall			
3	Other Funds	-0-	20,000,000	-0-
4	017. Renovate Hathaway Hall, Phase II			
5	Bond Funds	-0-	4,920,000	-0-
6	018. Construct Parking Structure			
7	Agency Bonds	-0-	7,000,000	-0-
8	5. MOREHEAD STATE UNIVERSITY			
9	001. Construct Center for Health, Education, and Research			
10	Bond Funds	-0-	23,000,000	-0-
11	002. Renovate Jayne Stadium			
12	Restricted Funds	-0-	8,400,000	-0-
13	003. Construct East Kentucky Animal Science Center			
14	Federal Funds	-0-	8,000,000	-0-
15	004. Major Item of Equipment Pool			
16	Restricted Funds	-0-	2,752,000	3,400,000
17	005. Construct Kentucky Mountain Crafts Center			
18	Restricted Funds	-0-	5,434,000	-0-
19	006. Construct Law Enforcement Complex			
20	Federal Funds	-0-	5,215,000	-0-
21	007. Upgrade Instructional PCs/LANS/Peripherals			
22	Restricted Funds	-0-	5,000,000	-0-
23	008. Enhance Network/Infrastructure Resources			
24	Restricted Funds	-0-	4,750,000	-0-
25	009. Renovate McClure Pool Area			
26	Restricted Funds	-0-	4,715,000	-0-
27	010. Renovate John Sonny Allen Field			

1	Restricted Funds	-0-	4,166,000	-0-
2	011. Replace Power Plant Pollution Control System			
3	Restricted Funds	-0-	3,540,000	-0-
4	012. Capital Renewal Pool - E&G			
5	Restricted Funds	-0-	3,480,000	-0-
6	013. Renovate Button Auditorium			
7	Restricted Funds	-0-	3,000,000	-0-
8	014. Upgrade Administrative Office Systems			
9	Restricted Funds	-0-	2,500,000	-0-
10	015. Acquire Land Related to Master Plan			
11	Restricted Funds	-0-	2,000,000	-0-
12	016. Construct Softball Facility/Lighting Project			
13	Restricted Funds	-0-	1,700,000	-0-
14	017. Comply with ADA - E&G			
15	Restricted Funds	-0-	850,000	850,000
16	018. Capital Renewal Pool -Auxiliary			
17	Restricted Funds	-0-	1,618,000	-0-
18	019. Upgrade and Expand Distance Learning			
19	Restricted Funds	-0-	1,500,000	-0-
20	020. Expand Student Wellness Center			
21	Restricted Funds	-0-	1,200,000	-0-
22	021. Comply with ADA - Auxiliary			
23	Restricted Funds	-0-	600,000	600,000
24	022. Replace Boiler Tubes			
25	Restricted Funds	-0-	800,000	-0-
26	023. Reconstruct Central Campus			
27	Restricted Funds	-0-	780,000	-0-

1	024. Enhance Library Automation Resources			
2	Restricted Funds	-0-	670,000	-0-
3	025. Expand Life Safety Claypool-Young Building			
4	Restricted Funds	-0-	600,000	-0-
5	026. Renovate Molecular Biology Student Lab			
6	Restricted Funds	-0-	474,000	-0-
7	027. Guaranteed Energy Savings Performance Contracts			
8	028. Construct Equine Hospital			
9	Restricted		1,069,000	-0-
10	029. Construct Student Recreation Center			
11	Agency Bonds	-0-	17,000,000	-0-
12	030. Renovate Student Housing Facilities			
13	Agency Bonds	-0-	10,000,000	-0-
14	031. Space Science Center - Completion			
15	Bond Funds	-0-	3,400,000	-0-
16	032. Construct Business Continuanace Datacenter			
17	Bond Funds	-0-	2,500,000	-0-
18	6. MURRAY STATE UNIVERSITY			
19	001. New Residential College - Richmond Hall			
20	Agency Bonds	-0-	13,077,000	-0-
21	002. Capital Renewal E&G Pool			
22	Restricted Funds	-0-	12,457,000	-0-
23	003. Administrative Enterprise Resource Planning System			
24	Restricted Funds	-0-	8,000,000	-0-
25	004. Capital Renewal H&D Pool			
26	Restricted Funds	-0-	5,445,000	-0-
27	005. Renovate Pogue Library			

1	Restricted Funds	-0-	4,000,000	-0-
2	006. Renovate Ordway Hall			
3	Restricted Funds	-0-	3,962,000	-0-
4	007. ADA Compliance E&G Pool			
5	Restricted Funds	-0-	3,092,000	-0-
6	008. Centralized Technology Refresh Program			
7	Restricted Funds	-0-	2,600,000	-0-
8	009. Telephone Switching System - Additional			
9	Reauthorization (\$1,525,000 Restricted Funds)			
10	Restricted Funds	-0-	1,975,000	-0-
11	010. Renovate White Hall HVAC System			
12	Restricted Funds	-0-	1,000,000	-0-
13	011. Campus Backbone 10 GigE Upgrade			
14	Restricted Funds	-0-	775,000	-0-
15	012. Construct Open-Sided Stall Barn at Expo Center			
16	Restricted Funds	-0-	770,000	-0-
17	013. ADA Compliance H&D Pool			
18	Restricted Funds	-0-	615,000	-0-
19	014. Life Safety Projects E&G Pool			
20	Restricted Funds	-0-	590,000	-0-
21	015. Central Processing Computer System Upgrade			
22	Restricted Funds	-0-	522,000	-0-
23	016. Online Centralized Data Access/Warehouse			
24	Restricted Funds	-0-	520,000	-0-
25	017. Acquire Land			
26	Restricted Funds	-0-	501,000	-0-
27	018. Renovate A. Carman Pavilion - Phase II			

1	Restricted Funds	-0-	500,000	-0-
2	019. Renovate Wells Hall Interior			
3	Restricted Funds	-0-	500,000	-0-
4	020. Construct Public Safety Building- Additional			
5	Reauthorization (\$1,500,000 Restricted Funds)			
6	Restricted Funds	-0-	500,000	-0-
7	021. Life Safety Projects H&D Pool			
8	Restricted Funds	-0-	300,000	-0-
9	022. Abate Asbestos H&D Pool			
10	Restricted Funds	-0-	276,000	-0-
11	023. Guaranteed Energy Savings Performance Contracts			
12	024. Construct New Science Complex - Phase III			
13	Bond Funds	-0-	15,000,000	-0-
14	025. Replace Franklin Hall			
15	Agency Bonds	-0-	13,077,000	-0-
16	026. Renovate Curris Center T-Room			
17	Agency Bonds	-0-	750,000	-0-
18	7. NORTHERN KENTUCKY UNIVERSITY			
19	001. Construct New Student Union			
20	Agency Bonds	-0-	17,360,000	-0-
21	002. Acquire New Residence Hall			
22	Restricted Funds	-0-	10,000,000	-0-
23	003. Construct Alumni Welcome Center			
24	Other Funds	-0-	7,800,000	-0-
25	004. Relocate Master Plan Infrastructure			
26	Restricted Funds	-0-	6,130,000	-0-
27	005. Acquire Land/Campus Master Plan			

1	Restricted Funds	-0-	6,000,000	-0-
2	006. Construct Track and Field Stadium			
3	Other Funds	-0-	5,500,000	-0-
4	007. Construct Soccer Stadium			
5	Restricted Funds	-0-	5,500,000	-0-
6	008. Major Item of Equipment Pool			
7	Restricted Funds	-0-	5,410,000	-0-
8	009. Construct Central Plaza Phase II			
9	Restricted Funds	-0-	4,900,000	-0-
10	010. Replace Power Distribution Infrastructure			
11	Restricted Funds	-0-	4,800,000	-0-
12	011. Repair Structural Floor Heaving/E&G Buildings			
13	Restricted Funds	-0-	4,000,000	-0-
14	012. Enhance Instructional Information Technology			
15	Restricted Funds	-0-	3,800,000	-0-
16	013. E&G Minor Projects Pool			
17	Restricted Funds	-0-	3,200,000	-0-
18	014. Enhance Information Technology Infrastructure			
19	Restricted Funds	-0-	2,900,000	-0-
20	015. Housing/Minor Projects Pool			
21	Restricted Funds	-0-	2,200,000	-0-
22	016. Replace Administrative Application System Phase II			
23	Restricted Funds	-0-	2,000,000	-0-
24	017. Construct Intramural Fields			
25	Restricted Funds	-0-	1,900,000	-0-
26	018. Replace E&G Fire Alarm Systems			
27	Restricted Funds	-0-	1,400,000	-0-

1	019. Relocate Early Childcare Center			
2	Restricted Funds	-0-	1,000,000	-0-
3	020. Replace Elevators Landrum Hall/Lucas Administrative Center			
4	Restricted Funds	-0-	990,000	-0-
5	021. Replace Air Handlers			
6	Restricted Funds	-0-	980,000	-0-
7	022. Restore Albright Health Center Roof			
8	Restricted Funds	-0-	680,000	-0-
9	023. Replace Business, Education, and Psychology Center Roof			
10	Restricted Funds	-0-	680,000	-0-
11	024. Enhance Softball Field			
12	Restricted Funds	-0-	600,000	-0-
13	025. Renovate University Center			
14	Restricted Funds	-0-	600,000	-0-
15	026. Kenton County - Lease			
16	027. Guaranteed Energy Savings Performance Contracts			
17	028. Construct Center for Informatics			
18	Bond Funds	-0-	35,500,000	-0-
19	029. Construct Parking Garage #3			
20	Agency Bonds	-0-	15,400,000	-0-
21	030. Construct Student Housing			
22	Agency Bonds	-0-	23,000,000	-0-
23	031. Expand Norse Commons			
24	Agency Bonds	-0-	1,400,000	-0-
25	8. UNIVERSITY OF KENTUCKY			
26	001. Construct Patient Care Facility Phase II - Hospital			
27	Restricted Funds	-0-	25,000,000	-0-

1	Agency Bonds	-0-	150,000,000	-0-
2	TOTAL	-0-	175,000,000	-0-
3	002. Construct Biological/Pharmaceutical Complex - Phase II			
4	Bond Funds	-0-	79,892,000	-0-
5	003. Major Item of Equipment Pool			
6	Restricted Funds	-0-	195,164,000	-0-
7	Federal Funds	-0-	3,100,000	-0-
8	TOTAL	-0-	198,264,000	-0-
9	004. Capital Renewal Pool Phase I			
10	Restricted Funds	-0-	31,607,000	-0-
11	005. Construct Outpatient Diagnostic/Treatment Facility II - Hospital			
12	Restricted Funds	-0-	24,271,000	-0-
13	006. Lease-Purchase ERP System - Phase II			
14	Restricted Funds	-0-	20,000,000	-0-
15	007. Expand Ambulatory Care Facilities - Hospital			
16	Restricted Funds	-0-	20,000,000	-0-
17	008. Construct Primary Care Center II - Hospital			
18	Restricted Funds	-0-	17,237,000	-0-
19	009. Replace Air Handling Unit I - Hospital			
20	Restricted Funds	-0-	16,165,000	-0-
21	010. Construct Patient Care Facility II - Hospital			
22	Restricted Funds	-0-	15,909,000	-0-
23	011. Acquire Land			
24	Restricted Funds	-0-	15,000,000	-0-
25	012. Construct Facilities Support Building - Hospital			
26	Restricted Funds	-0-	14,728,000	-0-
27	013. Medicine/Dentistry Building - Design			

1	Restricted Funds	-0-	14,000,000	-0-
2	014. Expand and Upgrade LDDC Phase II			
3	Bond Funds	-0-	13,500,000	-0-
4	015. Construct Remote Cancer Clinic - Hospital			
5	Restricted Funds	-0-	12,880,000	-0-
6	016. Construct Cancer Urgent Treatment Facility - Hospital			
7	Restricted Funds	-0-	12,728,000	-0-
8	017. Lease-Purchase Telephone Switch Convergence			
9	Restricted Funds	-0-	12,000,000	-0-
10	018. Construct Outpatient Care Facility II - Hospital			
11	Restricted Funds	-0-	11,157,000	-0-
12	019. Construct Outpatient Services III - Hospital			
13	Restricted Funds	-0-	10,775,000	-0-
14	020. Construct Cancer Infusion Suites - Hospital			
15	Restricted Funds	-0-	10,688,000	-0-
16	021. Construct Imaging Facility - Hospital			
17	Restricted Funds	-0-	10,079,000	-0-
18	022. Upgrade/Modify Coldstream Facilities			
19	Restricted Funds	-0-	10,000,000	-0-
20	023. Renovate Lab & Support Space in Medical Science			
21	Restricted Funds	-0-	9,500,000	-0-
22	024. Renovate Lab for Coatings & Surface Inspection			
23	Restricted Funds	-0-	8,000,000	-0-
24	025. Upgrade Critical Care Center HVAC - Hospital			
25	Restricted Funds	-0-	7,649,000	-0-
26	026. Install Steam Line BBSRB - Old Main Gate Pit			
27	Restricted Funds	-0-	6,865,000	-0-

1	027. Install Steam Line - Taylor to Transportation Building			
2	Restricted Funds	-0-	6,725,000	-0-
3	028. Upgrade the Vivarium in Sanders Brown Building			
4	Restricted Funds	-0-	3,360,000	-0-
5	Federal Funds	-0-	3,360,000	-0-
6	TOTAL	-0-	6,720,000	-0-
7	029. Lease-Purchase High Performance Research Computer			
8	Restricted Funds	-0-	6,500,000	-0-
9	030. Construct Library Depository Facility			
10	Restricted Funds	-0-	2,915,000	-0-
11	Federal Funds	-0-	3,500,000	-0-
12	TOTAL	-0-	6,415,000	-0-
13	031. Expand Emergency Services - Hospital			
14	Restricted Funds	-0-	6,100,000	-0-
15	032. Renovate Facade - Agriculture Building North			
16	Restricted Funds	-0-	6,100,000	-0-
17	033. Construct Radiation Medicine Facility - Hospital			
18	Restricted Funds	-0-	6,069,000	-0-
19	034. Lease-Purchase UK/UofL/Frankfort Research Network			
20	Restricted Funds	-0-	6,000,000	-0-
21	035. Renovate Dietetics - Hospital			
22	Restricted Funds	-0-	6,000,000	-0-
23	036. Upgrade Cancer Center Radiologic Facility - Hospital			
24	Restricted Funds	-0-	6,000,000	-0-
25	037. Install Chilled Water Pipe to South Campus			
26	Restricted Funds	-0-	6,000,000	-0-
27	038. Replace Cooling Plant Chillers			

1	Restricted Funds	-0-	6,000,000	-0-
2	039. Purchase Clinical System Enterprise			
3	Restricted Funds	-0-	5,800,000	-0-
4	040. Add Centralized Emergency Generator			
5	Restricted Funds	-0-	5,542,000	-0-
6	041. Replace Steam and Condensate Pipe			
7	Restricted Funds	-0-	5,500,000	-0-
8	042. Install Steam Line Blazer to Singletary Center			
9	Restricted Funds	-0-	5,275,000	-0-
10	043. Construct Cancer Hospice Facility - Hospital			
11	Restricted Funds	-0-	5,145,000	-0-
12	044. Upgrade Pharmacy Fume Hood I - Life Safety			
13	Restricted Funds	-0-	5,040,000	-0-
14	045. Data Center - Design			
15	Restricted Funds	-0-	5,000,000	-0-
16	046. Renovate Research Space in Medical Science			
17	Restricted Funds	-0-	5,000,000	-0-
18	047. University Student Center - Design			
19	Restricted Funds	-0-	5,000,000	-0-
20	048. Expand Chemistry-Physics Building - Design			
21	Restricted Funds	-0-	5,000,000	-0-
22	049. Improve Central Heating Plant			
23	Restricted Funds	-0-	4,860,000	-0-
24	050. Modify Nursing Unit XII - Hospital			
25	Restricted Funds	-0-	4,806,000	-0-
26	051. Improve Life Safety Project Pool			
27	Restricted Funds	-0-	4,650,000	-0-

1	052. Purchase Patient System Enterprise			
2	Restricted Funds	-0-	4,640,000	-0-
3	053. Purchase Diagnostic Medical Record Expansion			
4	Restricted Funds	-0-	4,640,000	-0-
5	054. Renovate Imaging Center in Kentucky Clinic			
6	Restricted Funds	-0-	4,590,000	-0-
7	055. Expand Surgical Services - Hospital			
8	Restricted Funds	-0-	4,545,000	-0-
9	056. Expand Kastle Hall Vivarium			
10	Restricted Funds	-0-	4,505,000	-0-
11	057. Upgrade Surgical Services - Hospital			
12	Restricted Funds	-0-	4,500,000	-0-
13	058. Upgrade Electrical Substation			
14	Restricted Funds	-0-	4,500,000	-0-
15	059. Replace Fine Arts HVAC			
16	Restricted Funds	-0-	4,500,000	-0-
17	060. Expand CAER Laboratories			
18	Restricted Funds	-0-	4,450,000	-0-
19	061. Expand KGS Well Sample & Core Repository			
20	Restricted Funds	-0-	4,310,000	-0-
21	062. Upgrade Information Systems Services - Hospital			
22	Restricted Funds	-0-	4,206,000	-0-
23	063. Renovate Carnahan House			
24	Restricted Funds	-0-	4,000,000	-0-
25	064. Extend Virginia Avenue			
26	Restricted Funds	-0-	4,000,000	-0-
27	065. Renovate Labs in Pharmacy Building			

1	Restricted Funds	-0-	2,000,000	-0-
2	Federal Funds	-0-	2,000,000	-0-
3	TOTAL	-0-	4,000,000	-0-
4	066. Expand Operating Room Suites - Hospital			
5	Restricted Funds	-0-	3,559,000	-0-
6	067. Upgrade Diagnostic Radiology - Hospital			
7	Restricted Funds	-0-	3,530,000	-0-
8	068. Replace McVey Hall HVAC			
9	Restricted Funds	-0-	3,520,000	-0-
10	069. Lease-Purchase Campus Infrastructure Upgrade			
11	Restricted Funds	-0-	3,500,000	-0-
12	070. Lease-Purchase Large Scale Computing			
13	Restricted Funds	-0-	3,500,000	-0-
14	071. Upgrade HVAC II - Hospital			
15	Restricted Funds	-0-	3,500,000	-0-
16	072. Expand/Renovate CPST Facility			
17	Restricted Funds	-0-	3,500,000	-0-
18	073. Replace Central Facilities Management System			
19	Restricted Funds	-0-	3,500,000	-0-
20	074. Upgrade Fume Hoods TH Morgan - Life Safety			
21	Restricted Funds	-0-	3,188,000	-0-
22	075. Expand Ophthalmology Clinic - Hospital			
23	Restricted Funds	-0-	3,100,000	-0-
24	076. Replace Steam Line Lime Tunnel - Main Gate			
25	Restricted Funds	-0-	3,100,000	-0-
26	077. Replace HVAC Kastle Hall			
27	Restricted Funds	-0-	3,100,000	-0-

1	078. Construct Building Connectors III - Hospital			
2	Restricted Funds	-0-	3,059,000	-0-
3	079. Purchase Dentistry Patient Management System - Phase II			
4	Restricted Funds	-0-	3,000,000	-0-
5	080. Upgrade Global Ventilation Controls - Hospital			
6	Restricted Funds	-0-	3,000,000	-0-
7	081. Renovate Central Vivarium			
8	Restricted Funds	-0-	1,500,000	-0-
9	Federal Funds	-0-	1,500,000	-0-
10	TOTAL	-0-	3,000,000	-0-
11	082. Renovate Sections of Funkhouser			
12	Restricted Funds	-0-	3,000,000	-0-
13	083. Renovate Research Space Medical Center I			
14	Restricted Funds	-0-	3,000,000	-0-
15	084. Construct Radiation Medicine Facility II - Hospital			
16	Restricted Funds	-0-	2,955,000	-0-
17	085. Construct University Press Facility			
18	Restricted Funds	-0-	2,950,000	-0-
19	086. Upgrade Surgical Suite - Hospital			
20	Restricted Funds	-0-	2,945,000	-0-
21	087. Renovate Outpatient Clinic in Kentucky Clinic			
22	Restricted Funds	-0-	2,930,000	-0-
23	088. Replace HVAC Slone Building			
24	Restricted Funds	-0-	2,917,000	-0-
25	089. Purchase Upgrade - HIS Computing Facility			
26	Restricted Funds	-0-	2,900,000	-0-
27	090. Renovate Central Computing Facility			

1	Restricted Funds	-0-	2,811,000	-0-
2	091. Install Cooling Secondary Pumping			
3	Restricted Funds	-0-	2,800,000	-0-
4	092. Replace Steam Line Main Gate Pit and Anderson Pit			
5	Restricted Funds	-0-	2,750,000	-0-
6	093. Renovate DLAR Quarantine Facility at Spindletop			
7	Restricted Funds	-0-	2,720,000	-0-
8	094. Renovate Koinonia House			
9	Restricted Funds	-0-	2,715,000	-0-
10	095. Construct Alumni Drive Roundabouts			
11	Restricted Funds	-0-	2,630,000	-0-
12	096. Upgrade Fume Hood in Sanders Brown - Life Safety			
13	Restricted Funds	-0-	2,600,000	-0-
14	097. Purchase Computing Infrastructure Update			
15	Restricted Funds	-0-	2,500,000	-0-
16	098. Upgrade Outpatient Surgical Suite - Hospital			
17	Restricted Funds	-0-	2,500,000	-0-
18	099. Implement Land Use Plan IV - Hospital			
19	Restricted Funds	-0-	2,500,000	-0-
20	100. Renovate Parking Structure #3			
21	Restricted Funds	-0-	2,500,000	-0-
22	101. Renovate 3rd Floor Little Library			
23	Restricted Funds	-0-	2,500,000	-0-
24	102. Renovate Research Labs in Medical Center IV			
25	Restricted Funds	-0-	2,500,000	-0-
26	103. Replace Central Fire Alarm System			
27	Restricted Funds	-0-	2,500,000	-0-

1	104. Improve Spindletop Hall Facility Capital Renewal			
2	Restricted Funds	-0-	2,450,000	-0-
3	105. Multi-Care Clinic Building - Design			
4	Restricted Funds	-0-	2,200,000	-0-
5	106. Replace Chemistry Physics Ductwork			
6	Restricted Funds	-0-	2,200,000	-0-
7	107. Expand Animal Science Research Center Phase II - Design			
8	Restricted Funds	-0-	2,200,000	-0-
9	108. Replace Steam Line MC Htg - Hospital Drive Pit 2			
10	Restricted Funds	-0-	2,114,000	-0-
11	109. Expand Plant Capacity Infrastructure - Design			
12	Restricted Funds	-0-	2,040,000	-0-
13	110. Upgrade PACS System			
14	Restricted Funds	-0-	2,000,000	-0-
15	111. Replace Radiology Information System			
16	Restricted Funds	-0-	2,000,000	-0-
17	112. Upgrade Outpatient Services - Hospital			
18	Restricted Funds	-0-	2,000,000	-0-
19	113. Upgrade Clinical Services - Hospital			
20	Restricted Funds	-0-	2,000,000	-0-
21	114. Renovate Hospital Nursing Unit			
22	Restricted Funds	-0-	2,000,000	-0-
23	115. Expand Outpatient Radiology - Hospital			
24	Restricted Funds	-0-	2,000,000	-0-
25	116. Construct Physicians Services Facilities - Hospital			
26	Restricted Funds	-0-	2,000,000	-0-
27	117. Construct Cancer Education Facility - Hospital			

1	Restricted Funds	-0-	2,000,000	-0-
2	118. Upgrade Air Handling Units - Medical Center Campus			
3	Restricted Funds	-0-	2,000,000	-0-
4	119. Renovate Research Labs in Medical Center III			
5	Restricted Funds	-0-	2,000,000	-0-
6	120. Construct New Housing			
7	Restricted Funds	-0-	2,000,000	-0-
8	121. Renovate Taylor Education Building - Design			
9	Restricted Funds	-0-	2,000,000	-0-
10	122. Expand Cancer Infusion Suites			
11	Restricted Funds	-0-	1,964,000	-0-
12	123. Replace Air Handling Units in Research #1			
13	Restricted Funds	-0-	1,935,000	-0-
14	124. Construct University Conference Center			
15	Restricted Funds	-0-	1,900,000	-0-
16	125. Expand/Renovate Art Museum Singletary Center - Design			
17	Restricted Funds	-0-	1,900,000	-0-
18	126. Install Pollution Controls			
19	Restricted Funds	-0-	1,900,000	-0-
20	127. Implement Medication Bar Coding System			
21	Restricted Funds	-0-	1,750,000	-0-
22	128. Replace Master Clock and Bell System			
23	Restricted Funds	-0-	1,750,000	-0-
24	129. Renovate King Library South - 1962 Section			
25	Restricted Funds	-0-	1,700,000	-0-
26	130. Renovate Graduate Education & Research Space in Nursing			
27	Restricted Funds	-0-	1,700,000	-0-

1	131. Replace Steam Line Lime Tunnel - POT Tunnel			
2	Restricted Funds	-0-	1,606,000	-0-
3	132. Renovate Cooper House			
4	Restricted Funds	-0-	1,600,000	-0-
5	133. Improve Oswald Building			
6	Restricted Funds	-0-	1,600,000	-0-
7	134. Construct Horticultural Research & Education Facility			
8	Restricted Funds	-0-	1,600,000	-0-
9	135. Lease-Purchase Network Security Hardware			
10	Restricted Funds	-0-	1,500,000	-0-
11	136. Upgrade Utility Systems VI - Hospital			
12	Restricted Funds	-0-	1,500,000	-0-
13	137. Upgrade Diagnostic Services XI - Hospital			
14	Restricted Funds	-0-	1,500,000	-0-
15	138. Install Chilled Water Pipe - Cooling Plant 2 to Pit			
16	Restricted Funds	-0-	1,500,000	-0-
17	139. Renovate Research Labs in Medical Center I			
18	Restricted Funds	-0-	1,500,000	-0-
19	140. Renovate Dentistry Class Lab			
20	Restricted Funds	-0-	1,475,000	-0-
21	141. Replace Mathew's Building HVAC			
22	Restricted Funds	-0-	1,438,000	-0-
23	142. Renovate King Library South - 1930 Section Design			
24	Restricted Funds	-0-	1,400,000	-0-
25	143. Environmental Institute - Design			
26	Restricted Funds	-0-	1,392,000	-0-
27	144. Modify Nursing Unit XI - Hospital			

1	Restricted Funds	-0-	1,390,000	-0-
2	145. Upgrade Nutrition Services II - Hospital			
3	Restricted Funds	-0-	1,278,000	-0-
4	146. Renovate Imaging Center II			
5	Restricted Funds	-0-	1,257,000	-0-
6	147. Fit-up Gill Building Ground Floor - Hospital			
7	Restricted Funds	-0-	1,250,000	-0-
8	148. Construct UK Paducah Engineering Research Center			
9	Restricted Funds	-0-	1,230,000	-0-
10	149. Improve Storm Sewer Funkhouser			
11	Restricted Funds	-0-	1,225,000	-0-
12	150. Renovate Clinical Teaching Space in Nursing Building			
13	Restricted Funds	-0-	1,220,000	-0-
14	151. Install Fetal Monitoring Information System			
15	Restricted Funds	-0-	1,200,000	-0-
16	152. Lease-Purchase Enterprise Storage System			
17	Restricted Funds	-0-	1,200,000	-0-
18	153. Replace Air Handling Unit II - Roach			
19	Restricted Funds	-0-	1,200,000	-0-
20	154. Replace Air Handling Unit I - Roach			
21	Restricted Funds	-0-	1,200,000	-0-
22	155. Renovate COM Administrative Offices			
23	Restricted Funds	-0-	1,200,000	-0-
24	156. Improve Exterior Lighting Phase I			
25	Restricted Funds	-0-	1,200,000	-0-
26	157. Create Universal Nursing Unit - Hospital			
27	Restricted Funds	-0-	1,180,000	-0-

1	158. Purchase Managed Care Enterprise			
2	Restricted Funds	-0-	1,160,000	-0-
3	159. Replace Three Elevators MI King South			
4	Restricted Funds	-0-	1,130,000	-0-
5	160. Upgrade Communications Services - Hospital			
6	Restricted Funds	-0-	1,126,000	-0-
7	161. Upgrade Building Entrances Safety & Security			
8	Restricted Funds	-0-	1,100,000	-0-
9	162. Install Chilled Water Additions General Campus			
10	Restricted Funds	-0-	1,100,000	-0-
11	163. Purchase Communications Infrastructure in Young Library			
12	Restricted Funds	-0-	1,014,000	-0-
13	164. Implement Automated Bed Management System			
14	Restricted Funds	-0-	1,000,000	-0-
15	165. Upgrade Support Services II - Hospital			
16	Restricted Funds	-0-	1,000,000	-0-
17	166. Upgrade Diagnostic Services XII - Hospital			
18	Restricted Funds	-0-	1,000,000	-0-
19	167. Upgrade Transport Systems - Medical Center Campus			
20	Restricted Funds	-0-	1,000,000	-0-
21	168. Replace Agr. North Primary Electrical Service			
22	Restricted Funds	-0-	1,000,000	-0-
23	169. Lease-Purchase Fire Suppression Upgrade			
24	Restricted Funds	-0-	1,000,000	-0-
25	170. Construct Parking Structure - Central Campus			
26	Restricted Funds	-0-	1,000,000	-0-
27	171. Expand West KY Research & Education Center - Design			

1	Restricted Funds	-0-	1,000,000	-0-
2	172. Renovate College of Public Health Building - Design			
3	Restricted Funds	-0-	1,000,000	-0-
4	173. Renovate Reynolds Building - Design			
5	Restricted Funds	-0-	1,000,000	-0-
6	174. Parking Structure - North Campus - Design			
7	Restricted Funds	-0-	1,000,000	-0-
8	175. Renovate Barker Hall - Design			
9	Restricted Funds	-0-	1,000,000	-0-
10	176. Renovate Slone Building - Design			
11	Restricted Funds	-0-	1,000,000	-0-
12	177. Upgrade Sound System for the Singletary Center			
13	Restricted Funds	-0-	1,000,000	-0-
14	178. Fit-up Education Space in Health Science Building			
15	Restricted Funds	-0-	1,000,000	-0-
16	179. Renovate Bowman Hall - Design			
17	Restricted Funds	-0-	1,000,000	-0-
18	180. Lease-Purchase UPS System			
19	Restricted Funds	-0-	941,000	-0-
20	181. Replace Law Building Marble Facade			
21	Restricted Funds	-0-	930,000	-0-
22	182. Upgrade HVAC - CAER Phase III - Life Safety			
23	Restricted Funds	-0-	910,000	-0-
24	183. Upgrade Hospital Data Network			
25	Restricted Funds	-0-	826,000	-0-
26	184. Replace Hospital Mainframe Computer			
27	Restricted Funds	-0-	800,000	-0-